

BOARD MEETING  
STATE OF CALIFORNIA  
INTEGRATED WASTE MANAGEMENT BOARD

DEL NORTE REGIONAL TRANSFER STATION  
EDUCATION CENTER  
111 SOUTH DEL NORTE BOULEVARD  
OXNARD, CALIFORNIA

TUESDAY, JUNE 18, 2002  
9:30 A.M.

JAMES F. PETERS, CSR, RPR  
CERTIFIED SHORTHAND REPORTER  
LICENSE NUMBER 10063

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

APPEARANCES

BOARD MEMBERS

Linda Moulton-Patterson, Chairperson

Dan Eaton

Steven R. Jones

Jose Medina

Michael Paparian

David Roberti

STAFF

Mark Leary, Executive Director

Kathryn Tobias, Chief Counsel

Terry Jordan, Deputy Director

Julie Nauman, Deputy Director

Rubia Packard, Assistant Director

Pat Schiavo, Deputy Director

Patty Wohl, Deputy Director

Elliot Block, Staff Counsel

Nate Gauff

Martha Gildart

Roger Ikemoto

Phil Morales

Cara Morgan

Shirley Willd-Wagner

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1 PROCEEDINGS

2 CHAIRPERSON MOULTON-PATTERSON: I'd like to call  
3 the June Board meeting of the California Integrated Waste  
4 Management Board to order. And we're just really happy to  
5 be in this beautiful room in the city of Ontario, the Del  
6 Norte Regional Transfer Education Center. It's beautiful.

7 I would like the secretary to call the roll at  
8 this time.

9 SECRETARY VILLA: Eaton?

10 BOARD MEMBER EATON: Here.

11 SECRETARY VILLA: Jones?

12 BOARD MEMBER JONES: Here.

13 SECRETARY VILLA: Medina?

14 BOARD MEMBER MEDINA: Present.

15 SECRETARY VILLA: Paparian?

16 BOARD MEMBER PAPARIAN: Here.

17 SECRETARY VILLA: Roberti?

18 Moultron-Patterson?

19 CHAIRPERSON MOULTON-PATTERSON: Here.

20 Okay. Please turn off all cell phones and  
21 pagers. And I'd also like to mention that our speaker  
22 slips are right in back. So if you'd like to speak to the  
23 Board on an item, please fill out a speaker's slip and  
24 give it to Ms. Villa, who's right over here; and she'll  
25 make sure the Board members know that you would like to

1 speak.

2 At this time, I believe we have Dr. Manuel Lopez,  
3 Mayor of the city of Oxnard, here.

4 OXNARD MAYOR LOPEZ: Thank you very much. I'm  
5 very, very pleased to welcome all of you to the city of  
6 Oxnard.

7 We're very proud of our city here. We've had a  
8 lot of good support and good records on solid waste.  
9 We're very pleased that the solid waste -- that the  
10 California Integrated Waste Management Board has chosen  
11 Oxnard as one of the three off-site cities that you will  
12 be having meetings during the year.

13 We're also very pleased and I would like to  
14 publicly thank Mr. Medina for being here as a member of  
15 the Board. On a previous occasion he was here as a  
16 CalTrans Director. And I'd like to advise him that last  
17 week we had a groundbreaking for the great project that he  
18 was very gracious in assisting us for a project over a  
19 bridge that we are replacing here in the area, and it will  
20 be very, very beneficial. So I want to thank you publicly  
21 for it.

22 I was also looking forward to seeing Senator  
23 Roberti. I know he's not here. But at any rate, very  
24 happy to see him in this public service.

25 As I said, we're very proud of the record that we



1 have in solid waste in the city of Oxnard. This beautiful  
2 building, we dedicated it five years ago after a long  
3 effort in trying to work with the county, cities in  
4 developing a regional facility. But finally we just went  
5 it alone and then we have developed this building.

6 We're very happy with the fact that we have a  
7 very competent staff. One of the members -- or actually  
8 the Director of the Solid Waste Division in the city of  
9 Oxnard did such a good job, that he was elected to be on  
10 the City Council after he completed -- he's retired from  
11 it. So you know from that that not only is the Council  
12 very proud of our staff, but also the residents of the  
13 city.

14 So welcome to the city of Oxnard. And I believe  
15 you're going to hear from some of the other members.

16 Thank you very much.

17 CHAIRPERSON MOULTON-PATTERSON: Thank you, Dr.  
18 Lopez. We're very happy to be here.

19 OXNARD RECYCLING MANAGER DUNCAN: My name is Jay  
20 Duncan. I'm the Recycling Manager with the city of  
21 Oxnard. And I wanted to introduce just for a brief moment  
22 our Mayor pro tem, John Zaragoza, to say a few words.

23 MAYOR PRO TEM ZARAGOZA: Thank you, Jay. And  
24 thank you Madam Chair, Linda Richardson -- or Patterson.  
25 That's pretty close.

1 (Laughter.)

2 MAYOR PRO TEM ZARAGOZA: You called us Ontario,  
3 but we're in Oxnard, but I don't want to call it that.

4 Again, you know, I also want to thank Jose  
5 Medina. It was a pleasure meeting Jose over in  
6 Sacramento. And as the Mayor mentioned, you know, we had  
7 this \$171 million project here in Oxnard and Ventura where  
8 we're going to replace this bridge.

9 But to continue on, I just -- I want to share it  
10 with you that the Mayor mentioned that I was his Solid  
11 Waste Superintendent for the City for about 21 years of my  
12 31 career-- with 31 years with the city. And I have seen  
13 the city of Oxnard in the forefront in many, many aspects  
14 of solid waste collection, going back to the three-man  
15 truck, the shoepack, if you guys remember that, the  
16 one-man system.

17 I can see that Steve is already shaking his --  
18 and also again, you know, we went into the automated  
19 collection program back in '79 and '80. And we continued  
20 on with the AB 939 when it came on board, and we put all  
21 the components together to help in the diversion rates for  
22 the city of Oxnard. And the end product was this MRF that  
23 we have here, the Material Recovery Facility System for  
24 Oxnard, that also serves as a transfer station where we  
25 transport waste, you know, to distant landfills and, et

1 cetera.

2 But I want to thank you again for being here, and  
3 thank the Waste Board for their outstanding work to and  
4 for the State of California. And again welcome to the  
5 city of Oxnard.

6 Thank you.

7 CHAIRPERSON MOULTON-PATTERSON: Thank you very  
8 much.

9 OXNARD RECYCLING MANAGER DUNCAN: I'd like to  
10 introduce our City Manager, Ed Sotelo, for a few words.

11 CITY MANAGER SOTELO: Thank you. Good morning.  
12 And I also wanted to extend a very warm welcome to you.

13 City managers are kind of like vagabonds. They  
14 go from one city to another to another. Before coming to  
15 the city of Oxnard I worked in several cities. And we  
16 would hear about Oxnard, you know, they were doing this in  
17 waste management, they were doing that, they opened up a  
18 transfer facility. And I used to look forward to coming  
19 here and maybe being a part of it. And I finally got my  
20 opportunity. And, you know, I found that they do, they  
21 work very, very hard, they get out there and they do all  
22 of the great things.

23 Even now working with the other Ventura County  
24 city managers, when we attend the city managers' meetings,  
25 they talk about Oxnard, you know, "How come Oxnard's doing

1 this?" and "How come they're in the newspaper again?" And  
2 most of the time it's good. We have had a few of the  
3 other ones, too, but we don't talk about those.

4 But, again, welcome to the city of Oxnard. And  
5 enjoy your visit here. And if we can make your stay even  
6 better, just wave a hand and we'll come running.

7 Thank you.

8 CHAIRPERSON MOULTON-PATTERSON: Thank you very  
9 much.

10 (Thereupon an overhead presentation was  
11 presented as follows.)

12 OXNARD RECYCLING MANAGER DUNCAN: I just have a  
13 short PowerPoint presentation, kind of expanding on where  
14 we're going in the future of the city of Oxnard and our  
15 programs, if we could dim the lights.

16 I also want to encourage the Board members and  
17 the staff and our visitors today, there is a great view of  
18 the tipping floor up on the second floor, so please feel  
19 free to take a look at that.

20 Again, we are very proud to be one of the three  
21 cities that the Board has selected to meet off site.

22 And the first program I'm going to talk about --  
23 we had a chance last May, in 2001, to host the E-waste  
24 Reuse and Recycling Conference put on from CRRRA. And we  
25 started this program in November of 2000 here at the

1 facility. And the way that we came up with that idea, we  
2 started to see computers and CPUs on the tipping floor and  
3 realized we wanted to try to create a reuse situation as  
4 strongly as possible. So it is a drop-off program Monday  
5 through Saturday, 7:00 to 4:00 p.m. And you're going to  
6 see that today at the conclusion of the meeting when we  
7 will have a tour for the Board and the Board's staff.

8           We are the first permanent collection center in  
9 Ventura County. And since November of 2000 we've  
10 collected over 1,800 CRT's. So we've kept that from the  
11 landfill.

12           And what's really unique about this program, it's  
13 rare to have that partnership with law enforcement and  
14 solid waste. And this particular program has a  
15 socioeconomic benefit because it's part of a county jail  
16 computer repair program. And that's a partnership we  
17 formed with the county sheriff. So they actually use  
18 about a ton of our computers that go to them per month to  
19 train the inmates on reuse from repairing computers. And  
20 so they're redeployed to school, not just in Oxnard, but  
21 throughout Ventura County.

22                               --o0o--

23           OXNARD RECYCLING MANAGER DUNCAN: As the Mayor  
24 mentioned, last August we had our 5th anniversary of the  
25 facility being open. And it really introduced a lot of

1 our Oxnard residents to our services here at the MRF. It  
2 was a one-day event where we had a dollar twenty-five per  
3 pound per aluminum cans at the city's buy-back center  
4 here.

5 We drew over 2,000 people. You would think that  
6 it was the tickets for a really top rock concert or  
7 something, because people waited nearly two to three hours  
8 in line. And here's kind of an example of folks waiting  
9 in line. You would think that we were giving away the  
10 world there. But we were just basically extending a  
11 little bit at the buy-back center what we paid per pound.

12 We collected more material that day than normally  
13 is collected in two months at the buy-back center. We're  
14 talking about 10 tons of aluminum tons, two tons of glass,  
15 half a ton of newspaper. We even had to resort to a  
16 voucher system just to keep the line moving, because we  
17 were becoming a -- it was almost down by Haas Automotive,  
18 which is about a mile down the road. So it was a very  
19 popular program.

20 --o0o--

21 OXNARD RECYCLING MANAGER DUNCAN: One of the  
22 things we're really excited about is the Esplanade Mall.  
23 When the shopping center was deconstructed, we were able  
24 to be part of a publicizing in a company that really did  
25 an extremely capable job of reusing. They diverted more

1 than \$100,000 tons of the material that was generated on  
2 site. And 98 percent of that was deconstructed material  
3 that was reused or recycled.

4 And this is the key connection here. It not only  
5 had diversion benefits for the city, but at a cost savings  
6 of over \$1 million that the contractor was able to show.

7 It led to a State RAP Award winner for the Year  
8 2000. And it was also featured on our City Environment  
9 Today TV show, which has run for eight years now and is on  
10 Friday night at 6:30 here in the city.

11 And then the other critical element that it's led  
12 to is some changes internally with the Planning Department  
13 in implementing solid waste during recycling standards,  
14 that it affected the conditions for all new C&D projects.

15 So we're very proud of that.

16 --o0o--

17 OXNARD RECYCLING MANAGER DUNCAN: And then,  
18 finally, last fall The Mayor Pro Tem and staff had a  
19 chance to go to Oxnard Community College and see Board  
20 Member Medina talk about the collaborations with Mexico  
21 and the Waste Board. So that led to getting some of the  
22 Mexican officials in the private and public sector to come  
23 to the MRF for a special tour. And they want to learn  
24 about MRF development and education. And we're hoping  
25 that the Del Norte Regional Recycling and Transfer Station

1 can be a site for learning and education abroad.

2 We're also going to be a participant in the  
3 Binational Hispanic Summit Conference, which is going to  
4 be a special teleconference via satellite. And one of the  
5 things they're going to talk about is environmental  
6 issues.

7 So here in the city of Oxnard's Solid Waste  
8 Division, it's really about community leadership. And we  
9 really are very, very fortunate to have great leadership  
10 all the way around. Our Council, our City Manager, and  
11 our Public Works Director, Bo Bowman, has really helped  
12 lead us into some really innovative programs.

13 So we're very excited. And we thank you for  
14 being here in Oxnard. We're looking forward to the  
15 two-day meeting.

16 And I'd like to also recognize my boss, Jim Nava,  
17 the Solid Waste Superintendent, who's really done a great  
18 job in the marriage between Operations and Waste Reduction  
19 Education Programs.

20 Thank you very much for this time this morning.

21 CHAIRPERSON MOULTON-PATTERSON: Thank you.

22 (Applause.)

23 CHAIRPERSON MOULTON-PATTERSON: I just want to  
24 say thank you to you for all you're doing. You're a real  
25 role model for other jurisdictions. Thank you.



1           And with that, I think I forgot to ask for ex  
2 partes. So we'll start with Mr. Eaton.

3           BOARD MEMBER EATON: I'm up to date. Thank you,  
4 Madam Chair.

5           CHAIRPERSON MOULTON-PATTERSON: Mr. Jones.

6           BOARD MEMBER JONES: Just last night at the  
7 Harrison's I talked to a bunch of people about AB 939 and  
8 MRF, things like that. I think that's it.

9           CHAIRPERSON MOULTON-PATTERSON: Okay. And I also  
10 attended the reception and spoke with the Harrisons.

11          Mr. Medina.

12          BOARD MEMBER MEDINA: Up to date at the moment.

13          CHAIRPERSON MOULTON-PATTERSON: Okay. Mr.  
14 Paparian.

15          BOARD MEMBER PAPARIAN: I also attended the  
16 reception last night, but -- I had a very good time. I  
17 didn't really talk about business for the day.

18          CHAIRPERSON MOULTON-PATTERSON: Okay. And  
19 Senator Roberti.

20          BOARD MEMBER ROBERTI: Yes, Madam Chair.

21          I got to the reception late, so I had the  
22 midnight tour of the facility. And I might add, I might  
23 add, having gone to a number of transfer stations, this is  
24 about as up to date as they get. So I talked to Jim  
25 Harrison, I believe it is, and Dan Drake regarding general

1 recycling questions, the profitability of recycling, and  
2 up-to-date recycling facilities.

3 CHAIRPERSON MOULTON-PATTERSON: Okay. Thank you.

4 Mr. Simpson, did you say that we were to take  
5 some photos with --

6 ASSISTANT DIRECTOR SIMPSON: Yeah, you can take  
7 them right now.

8 CHAIRPERSON MOULTON-PATTERSON: Oh. But nothing  
9 formal?

10 ASSISTANT DIRECTOR SIMPSON: No.

11 CHAIRPERSON MOULTON-PATTERSON: Okay. Thank you.

12 Okay. Thank you, Senator.

13 Board reports.

14 Mr. Eaton, do you have anything?

15 BOARD MEMBER EATON: Nothing right at the moment,  
16 Madam Chair, other than I will be meeting with the RMDZ  
17 Southern California Branch, I believe, Thursday morning  
18 here in Oxnard.

19 CHAIRPERSON MOULTON-PATTERSON: Thank you.

20 Mr. Jones.

21 BOARD MEMBER JONES: For the sake of time, I  
22 think it's -- I'm in pretty good shape. That's good.  
23 I've got nothing.

24 CHAIRPERSON MOULTON-PATTERSON: Okay. Mr.  
25 Medina.

1           BOARD MEMBER MEDINA: I have a couple to report,  
2 Madam Chair.

3           Number 1, I attended the Household Hazardous  
4 Waste Conference May the 22nd, where I spoke on  
5 environmental justice, electronic waste and  
6 sustainability. The conference was attended by local  
7 enforcement agency staff, and it was at their request that  
8 I cover these topics. And one of the most informative  
9 aspects of the conference for me was a documentary on the  
10 E-waste problems in China. And I would highly recommend  
11 that Board members see this documentary to get an idea of  
12 the results that our policies can have on other parts of  
13 the world.

14           I also spoke regarding environmental justice at  
15 the RMDZ Loan Administrative Conference on June the 7th of  
16 this year.

17           At both of these conferences I had an opportunity  
18 to share my interests in the development of markets as a  
19 major element of the integrated waste management solution  
20 to diversion.

21           I attended the Cal EPA Enforcement Symposium on  
22 May the 28th through the 30th in San Diego, where I had an  
23 opportunity to hear cross-media discussions on enforcement  
24 concerns, including the topics of environmental justice  
25 and of the usefulness of circuit prosecutors.

1           While at the conference I met with  
2 representatives of Cal EPA Border Affairs Unit, Ricardo  
3 Martinez, representatives from the city of San Diego and  
4 county of San Diego regarding the Tijuana River and other  
5 cross border problems.

6           Later that evening as his request, I met with  
7 Congressman Nicholas Osuna, the Chair of both the  
8 Environmental and Border Affair Committees for the  
9 Legislature of Baja California, Mexico. The meeting was  
10 arranged by his staff as an introductory meeting.

11           Congressman Osuna spoke to me regarding basically  
12 the same problems, issues and concerns that we discussed  
13 with the representatives of the city of San Diego earlier  
14 that day.

15           I would like to emphasize that it appears to me  
16 that the Mexican communities along the California-Mexican  
17 Border Zone are as interested as we are in ensuring a  
18 clean and healthy environment. And so I look forward to  
19 providing the Board more information on this matter in the  
20 future.

21           And in regard to my return to Ventura County, I'm  
22 proud to be here today. It's always a pleasure to come  
23 down to Oxnard and to this county. And I'm glad to see  
24 that the projects are moving along. I was the first  
25 CalTrans Director to visit the county and to host a town

1 hall meeting on regional transportation needs. So I'm  
2 glad to see the good progress that's being made.

3 Good to see you again, Mr. Mayor.

4 CHAIRPERSON MOULTON-PATTERSON: Thank you, Mr.  
5 Medina.

6 Mr. Paparian.

7 BOARD MEMBER PAPARIAN: Thank you, Madam Chair.

8 I went to high school in the Los Angeles area in  
9 the 1970s. At that time, Oxnard, for me, was a  
10 turnaround. It was a place where we'd drive up the coast,  
11 turn around in Oxnard, and go back down Highway 101 when  
12 we wanted just to get out and drive a little bit. But I  
13 think now -- I think you can take a lot of pride in the  
14 city. It's a whole lot different than I remember it. For  
15 my family it's a destination. We were actually spending  
16 the last few days here and really enjoying the community  
17 and enjoying the beaches.

18 And for the area of solid waste, it's really kind  
19 of a hub of activity between the facility we saw last  
20 night and the facility here today, which I had a chance to  
21 visit a few months ago when we were at the Electronic  
22 Waste Workshop. There's a lot to be proud of here. The  
23 Electronics Waste Collection Center outside here is open  
24 six days a week. I don't know of any community in  
25 California that it is more accessible to its citizens in

1 terms of providing the opportunity to drop off their  
2 electronic waste. And then a lot of it, as I mentioned  
3 this morning, does get put to really good use.

4           Several things have happened for me in the last  
5 month. One of them was a -- on May 29th and 30th the  
6 Board sponsored workshops in Long Beach and Oakland on the  
7 topic of electronic waste and listening to local  
8 government concerns. We had over 50 participants at each  
9 meeting and got a lot of good feedback that's going to  
10 help me and others in the National Electronics Products  
11 Stewardship Initiatives discussions, the NEPSI  
12 discussions, that are going to be taking place and  
13 continuing to take place over the next few months. We  
14 have one next Monday and Tuesday in Minneapolis.

15           I'd like to thank Terri Cronin and Jeff Hunts and  
16 our contractor, Ed Boysen for really doing a great job in  
17 pulling together the workshops. I got a lot out of them,  
18 and I've heard from the local government representatives  
19 who were there that they got out a lot out of them, too.

20           Among other things, we heard about some very  
21 innovative programs that are happening in local  
22 governments. We're going to have a report that's put  
23 together from the workshops that will review some of the  
24 concerns as well as some of the positive things that are  
25 happening.

1           One of the things that really caught my attention  
2 was that there -- we have one local government in  
3 California that is actually -- self imposed an advanced  
4 recycling fee on itself for its electronics purchases,  
5 that is, the entities of that State -- or that local  
6 government have to set aside the funds needed to take care  
7 of the disposition of their electronics equipment as they  
8 purchase that equipment.

9           Other things from the -- Eugene Tseng helped put  
10 on a workshop in Los Angeles on -- for local enforcement  
11 agency folks and others. And I spoke at that workshop on  
12 electronics waste and environmental justice issues.

13           I've also been assisting Cal EPA in their work on  
14 radioactive waste policy issues that's popped up as an  
15 issue of the Legislature and elsewhere this year. And  
16 I've been helping advise Cal EPA on some of the directions  
17 that the administration might take.

18           I wanted to thank Susan Villa -- I don't see her  
19 here today -- but I want to thank her anyway for her work  
20 on the Tire Feasibility Study Item, Item 63 and 64, that  
21 we're going to be hearing today and all the assistance  
22 that she gave my staff in putting those agenda items  
23 together.

24           Also my staff recently had the opportunity to  
25 assist the University of California Office of the

1 President with a contract for carpet for all of UC's  
2 student housing facilities. My staff worked with DGS and  
3 Waste Prevention and Market Development staff -- Rick  
4 Hicks, John Blue, Jerry Hart and Tom Estes -- on providing  
5 guidelines for U.C. to consider in order to green their  
6 carpet procurement.

7           Thanks to all four of these folks for their  
8 assistance in this effort and the quick turnaround time  
9 that they provided to U.C. I think it will help make a  
10 difference with some of the things going on at the  
11 University of California.

12           CHAIRPERSON MOULTON-PATTERSON: Thank you, Mr.  
13 Paparian.

14           Senator Roberti.

15           BOARD MEMBER ROBERTI: Yes, Madam Chair. Just  
16 very briefly, I'd like some of the other Board members --  
17 this is my second visit to Ventura county in the last  
18 month. I attended the Household Hazardous Waste and Used  
19 Oil Conference. I want to commend our staff and the EPA  
20 staff for putting together an excellent conference. I  
21 want to commend the Board staff, and especially Member  
22 Paparian, on the electronic product stewardship workshop  
23 that was put on. I think a very important beginning into  
24 our exploring a whole new area of waste, which if we're  
25 not on top of it, can suddenly become even a larger



1 problem than it is.

2 I spoke recently to Matt Peterson of Global  
3 Green, discussing sustainable building development as well  
4 as to visit other manufacturers of sustainable building in  
5 the Los Angeles area, another area which I hope the Board  
6 becomes even more aggressive on.

7 And I want to say that visiting this facility --  
8 or at least coming to this facility as well as going to  
9 Golden West last night, Ventura county has the most  
10 beautiful trash facilities that I have ever visited. If  
11 only the entire State looked like this so we wouldn't have  
12 any siting problems -- or fewer siting problems, I guess  
13 that's the way to put it.

14 CHAIRPERSON MOULTON-PATTERSON: Thank you,  
15 Senator.

16 Mr. Medina, did you have an additional --

17 BOARD MEMBER MEDINA: I had one ex parte, a meet  
18 and greet with Gerald Quick from the Imperial County LEA.

19 CHAIRPERSON MOULTON-PATTERSON: Okay. Thank you.

20 Just very brief on my report. I also attended  
21 the Household Hazardous Waste Conference in Ventura.

22 And I wanted to also congratulate Shirley  
23 Willd-Wagner and her staff for an excellent conference.

24 I attended the MOU signing on environmental  
25 education with Baja California and Tijuana with Cal EPA.

1           And also I spoke with the City of Los Angeles LEA  
2 Agency Workshop, and I enjoyed that very much.

3           I did want to mention that -- publicly announce  
4 that I had appointed Senator Roberti and Mr. Eaton, and  
5 they're going to be kind of flip flopping on the Budget  
6 Admin Committee. And they will be -- one or the other  
7 will be the fourth member for that Committee.

8           And I wanted to take just a moment to say goodbye  
9 to a very special person on my staff, Heidi Sanborn. As I  
10 mentioned at her little going away party, she is going to  
11 be tremendously missed by this Board. She's helped me  
12 tremendously, and I'm just very proud of Heidi. And she's  
13 going to be continuing her studies as a full-time graduate  
14 student in her masters in public administration. And I  
15 want to publicly wish Heidi the best, and also introduce  
16 Joanne Vorhies, who will be taking her place and has had a  
17 long history with the Board and is just a wonderful  
18 addition to our staff.

19           So goodbye to Heidi and hello to Joanne. And  
20 Heidi, I hope you will continue to be involved in the  
21 Board, and we can use you as a volunteer.

22           (Laughter.)

23           CHAIRPERSON MOULTON-PATTERSON: So let's all give  
24 Heidi a big round of applause.

25           (Applause.)

1 CHAIRPERSON MOULTON-PATTERSON: Okay. With that,  
2 I will turn it over to Mr. Leary, our Executive Director.

3 EXECUTIVE DIRECTOR LEARY: Thank you, Madam  
4 Chair. Good morning, Members.

5 Let me first state, Madam, on behalf of staff,  
6 we, too, will miss Heidi and her support for your  
7 services. And she's been a joy to work with. And  
8 acknowledge that before she became a member of your  
9 Chair's staff, she was a hard working staff person here at  
10 the Board seven long years prior to her year with the  
11 Chair's office. So we will miss her also and wish her the  
12 best of luck.

13 I have three items I would like to touch base  
14 with with the Board.

15 First, I'd like to report on our low-level  
16 radioactive waste testimony at the Health and Human  
17 Services Committee, then a budget update briefly, and then  
18 a quick update on how we're working in terms of the  
19 biennial review process.

20 On June 6th the Senate Health and Human Services  
21 Committee held an informational hearing on low-level  
22 radioactive waste. This Committee oversees legislation  
23 relating to Department of Health Services. Senators  
24 Ortiz, Kuehl, and Romero attended.

25 The hearing focused on State oversight of

1 radioactive waste and particularly DHS regulations and how  
2 they relate to low-level radioactive waste in the State.

3           The first half of the hearing focused on State  
4 agency coordination and development of radiation policies.  
5 Speakers representing DTSC, Cal EPA, the State Water  
6 Board, OEHHA, and the DHS, as well as myself representing  
7 our organization spoke on low-level radioactive waste. We  
8 tried to provide information on our various agencies'  
9 roles in handling this material and its regulation.

10           The second half of the hearing focused on the DHS  
11 low-level radioactive waste regs and the potential effects  
12 on public health, business and the environment.  
13 Presenters included industry representatives and  
14 environmental groups.

15           The hearing was strictly informational, and no  
16 policy decisions were made. However, during my testimony  
17 Senator Ortiz recognized that the Board had taken the  
18 issue up and had some discussion before the Board, but  
19 expressed -- I think frustration maybe a little too strong  
20 a word -- but a little bit of reservation about the fact  
21 that the Board hadn't adopted a policy statement or action  
22 in regards to low-level radioactive waste.

23           The Department of Health Services indicated that  
24 it would be working closely with other agencies and  
25 stakeholders to address this issue when it opened in an

1 informative manner. Our ledge office is tracking the  
2 various legislation that Board Member Paparian mentioned  
3 relating to radioactive waste, and we will keep the Board  
4 apprised of all developments.

5 In regards to the budget, the Board's 2002-2003  
6 budget has moved out of conference on June 4th. It  
7 remains at the \$117 million that we have always been  
8 funded at or have been funded recently at just as it was  
9 proposed in the Governor's budget in January.

10 Our energy conservation conversion technologies  
11 budget change proposal for \$1.5 million has been deleted  
12 out of the budget. However, we remain hopeful that the  
13 appropriation authority for this program will be  
14 reestablished via legislation within the Board's budget.

15 A cautionary note in the event that the budget is  
16 late this year -- the passage of the budget is late this  
17 year, I want to encourage the Board and all its staff to  
18 be very prudent in making travel plans or expecting  
19 reimbursement for travel plans and purchases, as the State  
20 Controller's Office will not entertain reimbursements  
21 until the budget is signed.

22 Governor Davis and the Administration has  
23 proposed, and the Senate and the Assembly have approved, a  
24 new statewide control section to abolish at least 4,000  
25 State positions in the State government. We hear they may

1 be looking for as many as 6,000 in addition.

2           The purpose of this reduction is to reduce excess  
3 vacancies in State departments. Pursuant to the proposed  
4 control section, the Department of Finance is requiring  
5 that we reduce positions and dollars for all State  
6 agencies, regardless of fund, based on detailed plans.

7           Cabinet agencies are required to submit their  
8 plans by July 1st, 2002, to the Department of Finance.  
9 We're currently awaiting our latest budget letter from the  
10 Department of Finance that provides instructions on how we  
11 draft our plan.

12           As you know, there's also a hiring freeze. If we  
13 want to fill a vacancy, there's basically only three ways  
14 to do it. We have to transfer -- we could either transfer  
15 staff within the Board at the same or comparable salary  
16 levels or classification, which is basically robbing one  
17 program to feed another; or we can hire individuals who  
18 are in danger of losing their jobs at other State  
19 agencies; or in limited circumstances we can offer  
20 promotions.

21           In addition, we've been advised that back on May  
22 31st the Governor's office has revoked all previously  
23 granted freeze exemptions for positions that were still  
24 vacant on that date. And, as you know, for the Board this  
25 includes our three vacant -- CEA vacancies as well as some

1 program positions.

2 We're continuing to seek clarity on this issue,  
3 and we'll keep you informed as we learn more.

4 Focusing a little bit on the positive in terms of  
5 the Board's business, we've continued to plod along here  
6 and I think do good things in concert with the Board  
7 members. In regards to the 939 biennial review process,  
8 the Board staff has completed 139 biennial reviews and 34  
9 1066 extension requests if you include the ones on this  
10 month's agenda.

11 In July, staff will participate in bringing up  
12 agenda items for an additional 36 biennial reviews and 14  
13 1066 extensions.

14 As you know, we're cooperating with the League of  
15 California Cities in an event to recognize jurisdictions  
16 that have met the 2000 diversion requirements. This event  
17 will be held in Monterey on July 25th of this year.

18 Based on a current count, we are expecting to be  
19 honoring 175 jurisdictions that the Board has approved  
20 biennial reviews; that is, that are over 50 percent or  
21 have received a good-faith-effort determination as of your  
22 July 23rd - 24th Board meeting. So that could be a very  
23 positive event that speaks well of the progress that  
24 jurisdictions are making, at least many of the  
25 jurisdictions.

1           Then in regards to State agencies, we have a  
2 quick update on the status of the AB 75 program. We've  
3 received 365 annual reports to date; agencies and  
4 facilities that are working online that have yet to submit  
5 only numbers 45 at this point; agencies and facilities  
6 that have not accessed or submitted to date number 23; and  
7 then annual report reviews completed by staff to date is  
8 74.

9           And that, Madam Chair, concludes my presentation  
10 on my report.

11           I do have one kind of agenda management item I'd  
12 like to mention just real briefly, if the Board would  
13 allow. We'd simply like to reverse the order of Agenda  
14 Items 53 and 54; that is, take Agenda Item 54 first and  
15 then 53, thinking that the Agenda Item 54 kind of sets the  
16 stage for the discussion of grant programs. Do that first  
17 and then get into the consideration of grant eligibility  
18 and modification of the scoring criteria.

19           Thank you, Madam Chair.

20           CHAIRPERSON MOULTON-PATTERSON: Thank you, Mr.  
21 Leary.

22           And moving on to our agenda, we have Items 62,  
23 66, 77, and 89 that have been pulled.

24           Items 73, 74, 79 and 80 will not be heard. They  
25 were handled at the committee level.



1           Item 50 will be continued to the July Board  
2 meeting.

3           And items -- and moving on to the consent  
4 calendar, items 2, 3, 4, 8, 9, 10, 11, 12, 13, 14, 15, 16,  
5 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30,  
6 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44,  
7 45, 46, 47, 48, 49, 51, 63, 64, 65, 67, 68, 71, 78, 81  
8 have been proposed for the consent agenda.

9           Would any Board member wish to pull other items  
10 from consent -- or any of these items from consent?

11           Mr. Paparian.

12           BOARD MEMBER PAPARIAN: Madam Chair, could I just  
13 ask a question?

14           There were a number of changes to the agenda  
15 items, including items in the consent calendar. I just  
16 want to confirm that none of those changes were  
17 substantive or affected the -- you know, affected  
18 substantively those items.

19           EXECUTIVE DIRECTOR LEARY: They were not altered  
20 substantively that would alter I think our placement among  
21 consent.

22           BOARD MEMBER PAPARIAN: Thank you.

23           CHAIRPERSON MOULTON-PATTERSON: Okay.

24           EXECUTIVE DIRECTOR LEARY: Madam Chair, I would  
25 like to just -- quick review. You've mentioned Agenda

1 Item 64. I believe that's a -- that's a fiscal item, and  
2 we will have a brief presentation on that item as it's  
3 typically been the Board's wish.

4 CHAIRPERSON MOULTON-PATTERSON: Okay. So 64 is  
5 not on consent; is that correct?

6 EXECUTIVE DIRECTOR LEARY: Yes, Madam Chair.

7 CHAIRPERSON MOULTON-PATTERSON: So the ones I  
8 read, with the deletion of 64, may I have a motion?

9 BOARD MEMBER MEDINA: So move.

10 BOARD MEMBER JONES: I'll second.

11 CHAIRPERSON MOULTON-PATTERSON: Okay. We have a  
12 motion by Mr. Medina, seconded by Mr. Jones, to approve  
13 the Consent Calendar, which consists of all the numbers  
14 that I previously read.

15 Please call the roll.

16 SECRETARY VILLA: Eaton?

17 BOARD MEMBER EATON: Aye.

18 SECRETARY VILLA: Jones?

19 BOARD MEMBER JONES: Aye.

20 SECRETARY VILLA: Medina?

21 BOARD MEMBER MEDINA: Aye.

22 SECRETARY VILLA. Paparian?

23 BOARD MEMBER PAPARIAN: Aye.

24 SECRETARY VILLA: Roberti?

25 BOARD MEMBER ROBERTI: Aye.

1 SECRETARY VILLA: Moulton-Patterson?

2 CHAIRPERSON MOULTON-PATTERSON: Aye.

3 One thing before we get to the rest of the  
4 agenda, I neglected to mention we, the Board, will be  
5 holding a closed session tomorrow at the conclusion of  
6 tomorrow's meeting, which should be in the a.m. hours.

7 Okay. We'll move on to continued business agenda  
8 items, we have Number 1, which will be heard after Agenda  
9 Item Number 60.

10 And that brings us to Diversion, Planning and  
11 Local Assistance.

12 While they're getting ready, I'd like to call on  
13 the Chair of that Committee, Mr. Steve Jones, if he has  
14 any comments.

15 BOARD MEMBER JONES: Thanks, Madam Chair. Just  
16 very briefly.

17 A lot of the items that were on consent came out  
18 of this Committee. The business that we conducted that  
19 day was good business. I want to thank our planning staff  
20 for working with Member Eaton and the Chair and all the  
21 other members who put together an agenda item that gave us  
22 the information in a quick, easy way so that we were  
23 better able to do our jobs and be prepared for that  
24 Committee meeting. It made a huge difference.

25 I do want to make one statement. Item 50 is

1 being continued. Item 50 was a new base year that in --  
2 when our staff went and did the audits, came nowhere close  
3 to what was being proposed, nowhere close. It's not fair  
4 to the city. It's not fair to the hauler. We've  
5 continued the item to try to get some clarity to that  
6 agenda item.

7 But I want to tell you, after you go to the  
8 Harrison's and you look at that facility, and you come  
9 here and you look at this facility, you understand the  
10 commitment of certain jurisdictions to actually comply  
11 with AB 939 for a benefit. It makes the job of this Board  
12 that much more critical that we not allow the paper game  
13 to be played so that jurisdictions can falsely claim AB  
14 939 compliance.

15 I think it's clear when somebody puts \$4 million  
16 into equipment, which will get passed on to the rate  
17 payer, but they do it in a way that you come out with a  
18 better product, that just to me crystallizes what we do.  
19 And I will tell you, in discussions I had last night with  
20 city council members, they applaud this Board and they  
21 applaud the past Board for standing strong on AB 939; and  
22 I applaud my fellow Board members, because it's not always  
23 easy. But, clearly, it's critical.

24 But I do want to thank our staff. There's a lot  
25 of items on consent. It didn't mean a lot of work didn't

1 go into them.

2 Thanks, Madam Chair.

3 CHAIRPERSON MOULTON-PATTERSON: Thank you, Mr.  
4 Jones.

5 And then we'll turn it to Mr. Schiavo, and it  
6 takes us to Item 5.

7 DEPUTY DIRECTOR SCHIAVO: Good morning, Board  
8 members. I'm Pat Schiavo of the Diversion, Planning and  
9 Local Assistance Division.

10 And Item 5 is a consideration of the scope of  
11 work for the Large Public Venue Diversion Contract. And  
12 this was Contract Concept Number 70.

13 And Cara Morgan will be making the presentation  
14 on this item. And her presentation will focus on  
15 advisors' as well as Board member questions regarding this  
16 particular item.

17 MS. MORGAN: Good morning, Board members. What  
18 I'd like to do is just list the questions that we were  
19 presented with and responses to those questions.

20 We've also revised I believe it's page 5-6 in  
21 your binders. A page was just handed out on the scope of  
22 work to add some clarification based upon advisors' and  
23 Board members' feedback.

24 The first question we received was: What is the  
25 budget associated with the task, specifically Task 4,

1 Bullet 1, on page 5-6? And what happens if your task is  
2 not completed?

3 To address this, we did make a revision to the  
4 scope of work. Costs typically are not associated with  
5 tasks in a scope of work. However, these will be itemized  
6 in the detailed workplan that does follow.

7 In addressing the questions that we received, we  
8 did add a notation that Task 4, Bullet 1, there will be a  
9 cap or limit placed on this particular task, that no more  
10 than \$3,000 will be allocated to this task, based upon  
11 feedback from the contractor.

12 In addition, we added some specificity to this  
13 particular task to clarify what it meant by researching  
14 the availability of product specification needs.

15 This particular task will include determining the  
16 Restaurant Associates -- which is an organization which is  
17 the vendor for the facility -- their biodegradable  
18 products specification needs as well as coordinating with  
19 the Restaurant Associates meeting with the products  
20 manufacturers. And this is a very important task. This  
21 is where we bring together the vendor's specification  
22 needs and the manufacturer's. And also, following that,  
23 to work to ensure that the vendor's specification needs  
24 are met.

25 In regards to the tasks that are not completed,

1 contract staff has confirmed that if a task is not  
2 completed and the workplan is not filed, the invoices will  
3 not be approved by the contract manager.

4 In regards again to the research and the  
5 availability of biodegradable products, we did, as I  
6 mentioned, amended the scope of work. The research that  
7 will be performed is research that will be beyond what our  
8 Board staff has done and will not duplicate Board staff  
9 efforts.

10 Board staff put together a Markets Division staff  
11 in the OM Section, Organics Management Section, has  
12 provided information confirming the availability of these  
13 types of materials.

14 The contractor will research the practical use of  
15 these materials, which will include, but not be limited  
16 to, identifying the costs associated with purchasing these  
17 materials; the vendor participation and buy-in; public  
18 perception, which is a very important piece in using these  
19 types of materials; the ease of waste separation; compost  
20 facility feedback. Basically, all aspects of using these  
21 materials.

22 We also have anecdotal information that the  
23 materials work well and compost well. But we actually  
24 need to find out how this works in the real world.

25 We anticipate that the information that we

1 gleaned from this research will meet our needs in helping  
2 to promote this type of activity in other large venue  
3 projects.

4           Another question that came up, it was in regards  
5 to the cost of these materials and being somewhat  
6 expensive. And we're very hopeful in meeting initially  
7 with some of the product manufacturers that we'll be able  
8 to negotiate fair prices. We intend and we've already  
9 started some talks with Pac Bell Park to help form some  
10 consortiums -- purchasing consortiums, which is something  
11 that we hope to come out of this project to bring that  
12 cost down.

13           We also believe that because the Tennis Gardens  
14 is such a very large venue in California, that through the  
15 negotiations that some of the product manufacturers will  
16 be interested in some of the publicity that they will be  
17 receiving through this project. So we anticipate some  
18 favorable negotiations regarding price.

19           The next question we received is: What will the  
20 final product look like, and how will the information be  
21 disseminated?

22           We did add some specificity to the scope of work  
23 to address this. The final product -- we somewhat have a  
24 guide book. It will be placed on the Board's web site as  
25 has been the -- kind of the policy and direction from OPA



1 as a way to distribute information to a very diverse  
2 population.

3           The guide book will present the methodology and  
4 describe the results of this two-year pilot project. It  
5 will contain information regarding the successes and  
6 challenges of the project; the product specifications; the  
7 cooperative purchasing information; employee training,  
8 which is a big piece with any large venue's successful  
9 program; vendor participation; and public education.

10           In regards to disseminating this formation, the  
11 scope of work identifies that the contractor will be  
12 presenting these findings at various outreach events that  
13 we've planned. We intend to share the information at CRRA  
14 as well as some regional workshops in coordination, and  
15 hopefully at some of our other large venues, and pull  
16 together managers of the large venues' jurisdictions,  
17 haulers, other manufacturers. So we're looking forward to  
18 that. And that will occur after the project is completed.

19           The last question that we received was: What is  
20 the applicability to other large venues and jurisdictions  
21 throughout the State? And although we do recognize that  
22 there are other venues that may not have the off-site  
23 composting option that this area does have, we believe  
24 that the managerial and operational procedures of this  
25 diversion program will be applicable to any large public

1 venue.

2           These procedures include management and vendor  
3 buy-in; training for food service and janitorial staff;  
4 data collection; waste separation, which we'll be able to  
5 transfer to other industries such as haulers; as well as  
6 monitoring and program feasibilities.

7           That concludes my presentation. And I hope we  
8 have addressed all of the questions that were raised  
9 regarding the scope of work.

10           CHAIRPERSON MOULTON-PATTERSON: Thank you, Ms.  
11 Morgan.

12           Any questions?

13           BOARD MEMBER MEDINA: No questions. I'd like  
14 to --

15           CHAIRPERSON MOULTON-PATTERSON: I just have one.  
16           So it's going to take two years? There's no  
17 chance you'll have this information any sooner?

18           MS. MORGAN: Well, we anticipate having pieces of  
19 information sooner, for example, when we set up the  
20 meetings between the vendor and the product manufacturers.  
21 So we will have as the project progresses information, and  
22 we'll begin to start utilizing that to share with other  
23 large venues.

24           CHAIRPERSON MOULTON-PATTERSON: Okay. It will be  
25 utilized before two years?

1 MS. MORGAN: Exactly.

2 CHAIRPERSON MOULTON-PATTERSON: Thank you.

3 Any other questions?

4 Okay. Mr. Medina.

5 BOARD MEMBER MEDINA: Yes, Madam Chair.

6 I just wanted to say that I had an opportunity to  
7 visit the city of Indian Wells program. I was very  
8 impressed with what they're doing, and also the need for  
9 these large public venue projects. And I'd like to move  
10 Resolution 2002-301, approval of the scope of work for the  
11 Large Public Venue Diversion Contract, Fiscal Year  
12 2001-2002, Contract Concept Number 70.

13 BOARD MEMBER JONES: Second.

14 CHAIRPERSON MOULTON-PATTERSON: Okay. We have a  
15 motion by Mr. Medina, seconded by Mr. Jones, to approve  
16 Resolution 2002-301.

17 Please call the roll.

18 SECRETARY VILLA: Eaton?

19 BOARD MEMBER EATON: Aye.

20 SECRETARY VILLA: Jones?

21 BOARD MEMBER JONES: Aye.

22 SECRETARY VILLA: Medina?

23 BOARD MEMBER MEDINA: Aye.

24 SECRETARY VILLA: Paparian?

25 BOARD MEMBER PAPARIAN: Aye.

1 SECRETARY VILLA: Roberti?

2 BOARD MEMBER ROBERTI: Aye.

3 SECRETARY VILLA: Moulton-Patterson?

4 CHAIRPERSON MOULTON-PATTERSON: Aye.

5 Number 6.

6 DEPUTY DIRECTOR SCHIAVO: Item Number 6 is  
7 related to 5. This is consideration of approval of the  
8 city of Indian Wells as contractor for the Large Public  
9 Venue Diversion Contract. And this is again related to  
10 Contract Concept Number 70. And did you need --

11 CHAIRPERSON MOULTON-PATTERSON: We have a -- I  
12 believe Mr. Medina wants to make a motion.

13 BOARD MEMBER MEDINA: Yes, Madam Chair. I'd like  
14 to move Resolution 2002-302, approval of the city of  
15 Indian Wells as contractor for the Large Public Venue  
16 Diversion Contract, Fiscal Year 2001-2002, Contract  
17 Concept Number 70.

18 BOARD MEMBER JONES: Second.

19 CHAIRPERSON MOULTON-PATTERSON: Okay. Motion by  
20 Mr. Medina, seconded by Mr. Jones, to approve Resolution  
21 2002-302.

22 Can we substitute the previous roll call? Or  
23 because it's money, do we call it?

24 CHIEF COUNSEL TOBIAS: You can substitute.

25 CHAIRPERSON MOULTON-PATTERSON: Okay. Substitute

1 the previous roll call.

2 And number 7 is a discussion item.

3 DEPUTY DIRECTOR SCHIAVO: Okay. This is  
4 discussion of jurisdictions that reserved the right but  
5 have submitted an SB 1066 application and have received  
6 60-day notification for submittal of an application which  
7 will also serve as notice for potential compliance order.

8 And Phil Morales will be making this  
9 presentation.

10 MR. MORALEZ: Good morning, Madam Chair and Board  
11 Members.

12 Board staff has conducted a preliminary review of  
13 the 1999-2000 biennial review of the jurisdictions  
14 identified in Attachment 1 of this agenda item.

15 You should have a copy -- an amended copy of this  
16 attachment provided to you this morning.

17 Staff's analysis indicates that the jurisdictions  
18 listed in Attachment 1 have not numerically achieved the  
19 diversion requirements, as diversion rates of these  
20 jurisdictions are below 50 percent and adequate  
21 documentation to support a more accurate diversion rate  
22 was not submitted.

23 The Board approved Countywide Integrated Waste  
24 Management Plan Enforcement Policy II is hard to identify  
25 as criteria for evaluating a jurisdiction's implementation

1 of SRREs and HHWEs. The criteria established for a fully  
2 implemented SRRE means a jurisdiction is both carrying out  
3 the selected programs and achieving the diversion  
4 requirements.

5 Board staff has contacted each jurisdiction  
6 listed in the Attachment 1 to discuss the reported  
7 diversion programs and diversion rate. Based on the  
8 response from each jurisdiction, staff has prepared the  
9 attachment to inform the Board of an initial listing of  
10 those jurisdictions that have not achieved the diversion  
11 rate requirements and have reserved the right to submit a  
12 time extension and agreed to submit a time extension.

13 Please note the city of Clayton, Contra Costa  
14 County, has been added to attachment 1. Also, the cities  
15 of Apple Valley and Needles have been deleted. It should  
16 be noted in your amended copy of the Attachment 1.

17 Are there any questions? This completes staff's  
18 presentation.

19 CHAIRPERSON MOULTON-PATTERSON: Mr. Jones.

20 BOARD MEMBER JONES: Madam Chair.

21 First, thanks to staff.

22 But this was an item that was heard in Committee,  
23 but we thought it was important that the full Board heard  
24 it. And I hope members are okay with that. We just think  
25 it's important that you get this information. Some of it

1 we just take to Committee. But this at least gives you  
2 all a thumbnail idea of who hasn't sent in their 1066.

3 CHAIRPERSON MOULTON-PATTERSON: Thank you.

4 Mr. Eaton.

5 BOARD MEMBER EATON: Madam Chair, I think that  
6 Mr. Moralez ought to explain what are our options. These  
7 are the stragglers, are they not? These are individuals  
8 who had the opportunity to request an extension, who have  
9 been notified that they haven't reserved -- right; is that  
10 correct?

11 MR. MORALEZ: They have reserved the right --

12 BOARD MEMBER EATON: Is that right, they have not  
13 submitted --

14 MR. MORALEZ: Correct.

15 BOARD MEMBER EATON: And that has been well over  
16 in some cases how long?

17 MR. MORALEZ: Been several months.

18 BOARD MEMBER EATON: Several months. So this is  
19 just sort of, you know, as -- when you first came to the  
20 Board, they were the last kind of people through the door,  
21 these are reserved, and it's really bogging down the  
22 mechanics, because we'll be hearing these extensions,  
23 well, for another 2, 3 years in some cases.

24 So it really is for the Board. And what are our  
25 options? Whether we need to do another letter saying

1 these are final extensions, if you don't get them in,  
2 we'll take some action. What are our options?

3 MR. MORALEZ: In this particular case what we've  
4 done, by giving them a 60-day notice, we've told them that  
5 if they don't submit it within that 60 days, we will then  
6 go forward with a compliance -- 30-day notice for  
7 compliance order.

8 CHAIRPERSON MOULTON-PATTERSON: Do we notice them  
9 by certified mail or --

10 MR. MORALEZ: They've been contacted two ways.  
11 They've been contacted verbally and the staff's had  
12 discussion with them, which does meet the notice  
13 requirement. But we've also sent them formally a  
14 letter -- E-mail letter notifying them that they needed to  
15 submit that application. So we've kind of given them two  
16 shots.

17 CHAIRPERSON MOULTON-PATTERSON: But nothing that  
18 can be verified? I mean because we have some that are  
19 saying they didn't know.

20 MR. MORALEZ: No, they have been -- it's  
21 verified. It's an E-mail and as well as an electronic  
22 mail that has been verified.

23 BOARD MEMBER EATON: That's why I wanted it  
24 explained, because we all get hit with these, you know --

25 DEPUTY DIRECTOR SCHIAVO: This is the initial



1 60-day notice. And then after that they receive the  
2 30-day notice before the actual hearing. And then that's  
3 where we'll possibly send them by certified mail the  
4 notices of the hearing.

5 BOARD MEMBER JONES: The hearing will be on a  
6 biennial review basis where they did not comply?

7 DEPUTY DIRECTOR SCHIAVO: Correct.

8 CHAIRPERSON MOULTON-PATTERSON: Mr. Paparian.

9 BOARD MEMBER PAPARIAN: Okay. So the first --  
10 the 60-day notice went out May 31st?

11 MR. MORALEZ: Yes.

12 BOARD MEMBER PAPARIAN: Okay. So 60 days would  
13 be July 31st, more or less. Then at that point do we  
14 schedule a hearing and give them 30-days notice that  
15 there's a hearing coming?

16 MR. MORALEZ: That's correct.

17 BOARD MEMBER PAPARIAN: Okay. So the hearing  
18 couldn't be before the end of August?

19 MR. MORALEZ: Correct.

20 BOARD MEMBER PAPARIAN: So we should plan that we  
21 might hear some of these in September?

22 MR. MORALEZ: Correct.

23 BOARD MEMBER PAPARIAN: Okay. So that's your  
24 plan, at this point, to go forward at the September  
25 meeting with any leftover stragglers who just haven't done

1 what they should do?

2 MR. MORALEZ: Correct.

3 BOARD MEMBER PAPARIAN: Okay.

4 CHAIRPERSON MOULTON-PATTERSON: Any other  
5 questions?

6 Mr. Eaton?

7 BOARD MEMBER EATON: I think that completes the  
8 section, if I'm not mistaken.

9 CHAIRPERSON MOULTON-PATTERSON: Yes.

10 BOARD MEMBER EATON: I just would like to point  
11 out -- and this is a follow up to Mr. Jones' report -- on  
12 Item Number 28 is a new matrix that Mr. Schiavo humbly,  
13 and I'm sure inadvertently, forgot to mention is his work  
14 product. But it's something for the Board members to look  
15 at quickly. You'll get a chance to see -- hopefully we  
16 can improve on it, with your input, ways to go right down  
17 through and see what they have and have not done as a good  
18 comparison for the programs and -- or a lack thereof and  
19 what they could try to do.

20 And I think in our initial meetings all of us,  
21 including Mr. Jones, Mr. Paparian, or whoever, that were  
22 interested in certain sustainable practice and whatever,  
23 we can see that right there and in a snapshot and it will  
24 be helpful. And I understand those will be in the future,  
25 so if there are any questions about items that can be

1 taken up in that format.

2 CHAIRPERSON MOULTON-PATTERSON: Yeah, it really  
3 is helpful. Thank you very much.

4 Okay. Thank you, Mr. Eaton.

5 Okay. Again, Item 50 will be continued until  
6 July.

7 And with that, that ends this section of our  
8 agenda. We're going onto the Executive Administrative  
9 Policy.

10 And I will call on Mr. Medina; if you have made a  
11 special report, Mr. Medina, for this section from your  
12 committee.

13 BOARD MEMBER MEDINA: Thank you, Madam Chair.

14 The Executive Administrative Budget and Policy  
15 Committee heard Items 51 through 55.

16 It was decided by the Committee to place Item 51  
17 on the Consent Calendar.

18 Item 52 was also placed on fiscal consent pending  
19 approval of the Board.

20 Items 53 and 55 were recommended for decision by  
21 the Board and fuller discussion.

22 And Item 54 is also a discussion item that does  
23 not require a vote by the Board. And I'd just like to say  
24 that placed on the committees immediately before the  
25 briefing has worked out very well.

1 CHAIRPERSON MOULTON-PATTERSON: Thank you, Mr.  
2 Medina.

3 Okay. Then we'll go to 52 for a short  
4 presentation.

5 Ms. Packard.

6 ASSISTANT DIRECTOR PACKARD: Good morning, Madam  
7 Chair and Board Members. Rubia Packard of the Policy  
8 Office.

9 Again just very briefly, Agenda Item 52 is a  
10 consideration of the University of California, Santa Cruz,  
11 as contractor to assess methods to increase public and  
12 community participation in Board processes. And this was  
13 Contract Concept Number 39 from the Integrated Waste  
14 Management Account, Fiscal Year '01-'02.

15 The Board just approved via the Consent Calendar  
16 the scope of work for this contract in Agenda Item 51.

17 This agenda item requested approval of the  
18 University of California, Santa Cruz, as a contractor, as  
19 I said, in the amount of \$100,000. And this is the  
20 contract that will provide through this contractor the  
21 opportunity to hear directly at Board meetings from  
22 various community-based groups. There will be a best  
23 practices study on how we can best reach out to  
24 community-based groups and take a look at some options  
25 relative to environmental justice.

1           So that is this agenda item.

2           CHAIRPERSON MOULTON-PATTERSON:   And, Mr. Eaton,  
3   what did we decide we were going to call these?   Not  
4   fiscal --

5           BOARD MEMBER EATON:   Committee consensus.

6           CHAIRPERSON MOULTON-PATTERSON:   Committee  
7   consensus.   Okay, I've forgotten that.

8           Okay.   And this was a committee consensus item.  
9   And we will have a motion for this.

10          BOARD MEMBER MEDINA:   I'd like to move this,  
11   Madam Chair, as soon as I get the resolution number here.

12          Madam Chair, I'd like to move Resolution  
13   2002-295, approving the University of California, Santa  
14   Cruz, as contractor to assess methods to increase public  
15   and community participation in Board processes.   Concept  
16   Number 39; Integrated Waste Management Account, Fiscal  
17   Year 2001-2002.

18          BOARD MEMBER JONES:   I'll second.

19          CHAIRPERSON MOULTON-PATTERSON:   We have a motion  
20   by Mr. Medina, seconded by Mr. Jones, to approve  
21   Resolution 2002-295.

22          Please call the roll.

23          SECRETARY VILLA:   Eaton?

24          BOARD MEMBER EATON:   Aye.

25          SECRETARY VILLA:   Jones?

1 BOARD MEMBER JONES: Aye.

2 SECRETARY VILLA: Medina?

3 BOARD MEMBER MEDINA: Aye.

4 SECRETARY VILLA: Paparian?

5 BOARD MEMBER PAPARIAN: For reasons I stated in  
6 the Admin Committee meeting, I'm abstaining on this.

7 SECRETARY VILLA: Roberti?

8 BOARD MEMBER ROBERTI: Aye.

9 SECRETARY VILLA: Moulton-Patterson?

10 CHAIRPERSON MOULTON-PATTERSON: Aye.

11 And this brings us to Item 54; is that correct?

12 DEPUTY DIRECTOR JORDAN: That's correct.

13 Good morning, Madam Chair, Board Members. Terry  
14 Jordan from the Administration and Finance Division.

15 Agenda Item 54 will be presented by Roger Ikemoto  
16 of the Grants and Audits Unit.

17 CHAIRPERSON MOULTON-PATTERSON: Okay. Thank you.

18 Good morning.

19 MR. IKEMOTO: Good morning, Madam Chair and Board  
20 Members. I'm Roger Ikemoto of the Admin and Finance  
21 Division, here to present Item Number 54, discussion of  
22 the California Integrated Waste Management Board's Grant  
23 Programs.

24 The purpose of this item is to provide  
25 information to the Board about the Board's Grant Programs.

1 This item contains six attachments. After each attachment  
2 I'll go ahead and stop. And if you have any comments or  
3 questions, I'll try to address it then, rather than run  
4 them all together.

5 The first attachment is titled "Generic Grants  
6 Lifecycle." This is a chart developed by the Grants  
7 Administration Unit to show the general life cycle of the  
8 grants for funding allocations through the closure of the  
9 grants.

10 Do you have any questions or would like to  
11 discuss this?

12 Attachments Number 2 and 3, they're the grant  
13 funds awarded and the cycle summaries. These charts  
14 illustrate for the periods from 1996 through 2001, by  
15 fiscal year, the grants awarded by fund, term dates,  
16 maximum award amount for a grantee, and the number of  
17 grants awarded for each grant cycle.

18 Do you have any questions or would like to  
19 discuss this item or this attachment?

20 Okay, Number 4 is the cycle scoring criteria.  
21 This is a chart giving a one-year overview of the assigned  
22 points and percentages for each general review criteria  
23 and program criteria approved by the Board.

24 Do you have any questions or would like to  
25 discuss this attachment?

1           Okay. The fifth attachment is the regulatory  
2 statutory funding requirements. This is a chart showing  
3 an overview of the regulatory and statutory funding  
4 requirements for each grant program.

5           Do you have any questions or would like to  
6 discuss this attachment?

7           The final attachment is a history of the program  
8 criteria for the Household Hazardous Waste Grant Program.  
9 This is a chart illustrating the history of the program  
10 criteria used by the Household Hazardous Waste Grant  
11 Program for fiscal years 1991 through 2001-2002.

12          Do you have any questions or would like to  
13 discuss this?

14          No?

15          CHAIRPERSON MOULTON-PATTERSON: I don't see any  
16 right now.

17          MR. IKEMOTO: Okay. I'd just like to thank our  
18 Information Management Bureau for creating several of the  
19 attachments and the Grants Administration Unit, in  
20 particular Sara Avila and Kay Wilson for putting this  
21 discussion item together.

22          If there are no other questions or comments, this  
23 will conclude my presentation.

24          BOARD MEMBER JONES: Madam Chair.

25          CHAIRPERSON MOULTON-PATTERSON: Mr. Jones.



1           BOARD MEMBER JONES: Just one brief comment.

2           I think that -- especially attachment 1 that lays  
3 out what a lifecycle is when we do one of these grants. I  
4 think -- can you tell me how many -- every one of the  
5 programs has to man these grant cycles, right? So if we  
6 have a program staff, let's say, tire program, we might  
7 have four or five people that are in there that all  
8 they're dealing with is the management of the grants that  
9 were given out, right? Maybe more than five or six.

10          MR. IKEMOTO: Yes. It kind of depends on the  
11 grant programs. Some of them, as the smaller grants, they  
12 may have one grant manager, and with the other PUC staff  
13 helping them. Others that are a little larger, they may  
14 have several grant managers, along with staff people  
15 helping put this grant together.

16          BOARD MEMBER JONES: It's impressive, the amount  
17 of time that's going in every time, given some money and  
18 manage it to make sure that it's done right. Staff needs  
19 to be commended for that.

20          MR. IKEMOTO: Thank you.

21          BOARD MEMBER EATON? May I -- one comment. On  
22 the attachment -- and I agree there's a lot of work went  
23 into this. But in the Grant Lifecycle steps, the  
24 attachment that I believe is 1, Item 10, review the grant  
25 application package; because that's really a key

1 component. I see that we have Program staff, we have the  
2 Admin staff and the Legal staff all involved in that.

3 If Legal makes a recommendation for a change or  
4 if the Admin Division makes a recommendation for a change,  
5 there is no opportunity thereafter for review by either of  
6 those entities to see if that change was made. Is that  
7 change mandatory that it be made?

8 MR. IKEMOTO: No. Unless it's a -- by Legal, if  
9 it's a statutory regulatory requirement, then it will have  
10 to be changed. Otherwise it's Legal's and Admin's -- we  
11 could strongly recommend a change, but it's up to  
12 Programs. It's their program, so they make the final  
13 call.

14 BOARD MEMBER EATON: But what if there were a  
15 requirement by Admin, programmatically or through their  
16 auditing of grants, that they are required to under the  
17 Administrative, you know, Procedures Act? Then our  
18 Programs staff could disregard that?

19 MR. IKEMOTO: No. If it's Board policy or some  
20 Admin -- like a SAM manual type of -- for example, a SAM  
21 manual type of requirement, then we would let them know  
22 that those have to be changed, just kind of like Legal  
23 would have a mandatory statutory or regulatory requirement  
24 change.

25 BOARD MEMBER EATON: All right. Thank you.

1 MR. IKEMOTO: Your welcome. Thank you.

2 CHAIRPERSON MOULTON-PATTERSON: Questions?

3 If there aren't any questions, then we'll go on  
4 to 53.

5 ASSISTANT DIRECTOR PACKARD: Thank you, Madam  
6 Chair. Rubia Packard with the Policy Office again.

7 I'm here to make a presentation on Agenda Item  
8 53, which is consideration of grant eligibility and  
9 qualifying requirements for permits and other specialized  
10 licenses. And I believe they're going to give you some  
11 handouts which includes the slides in this PowerPoint  
12 presentation. But before I get to the slides, I just have  
13 some introductory remarks.

14 This item has been brought before the Board to  
15 address concerns that the Board should be ensuring that  
16 applicants receiving grant funding are in compliance with  
17 the requirement to obtain permits and licenses -- other  
18 permits and licenses. Also as a result of questions  
19 raised during the previous grant cycle.

20 In addition, we are here today to get some  
21 guidance from the Board to assist us in responding to the  
22 Assembly Budget Committee direction that the Board submit  
23 a report to the Legislature later this year that provides  
24 information on all of our grant programs. And we'll be  
25 able to use the information that was in the previous

1 agenda item as the background.

2 Additional information that they're asking for is  
3 which of our grant programs allow for self certification,  
4 which require verification, how we verify, and the impacts  
5 on the Board if verification of compliance with all  
6 environmental laws and regulations is required.

7 The material, as I said, developed through this  
8 agenda item and the Board action today will form the basis  
9 for the legislative report that's due in December.

10 This item was discussed in the Budget and  
11 Administration Committee last week. In order to address  
12 some questions and concerns raised through that committee  
13 discussion, we have prepared a streamline presentation in  
14 a different format. So it's quite a bit shorter and it's  
15 a littler more immediate to what the staff recommendations  
16 would actually result in to make it a little clearer what  
17 we're recommending.

18 In addition to preparing a different  
19 presentation, we have added the audit requirement to our  
20 recommendations that were suggested by the Board at the  
21 committee meeting, and we have revised Resolution Number  
22 2002-346 to reflect how each recommendation would be  
23 implemented. And you should have copies of the slides and  
24 copies of the revised resolution. And then there should  
25 be one other item there, that's a proposed checklist that

1 we'll talk about in a minute.

2           What we did is we took a little bit different  
3 approach to presenting this item this time. We identified  
4 the phases in the grant process where we believe the  
5 permit license requirement is or should be addressed.

6           For each of those phases we'll describe the  
7 current requirements that relate to grants and licenses,  
8 and then we'll show what additional requirements are being  
9 proposed to improve the process.

10           The four phases where the permit license  
11 requirement is or should be addressed are the application  
12 process, after the award and prior to signing the grant  
13 agreement, during the project management phase, and then  
14 ultimately during the audit phase after the project has  
15 been completed.

16                               --o0o--

17           ASSISTANT DIRECTOR PACKARD: This first slide  
18 addresses the first phase, which is the application  
19 process.

20           The existing process right now is that the  
21 application is -- or the applicant -- excuse me -- during  
22 the application process the applicant is required to  
23 certify the information provided in the application is  
24 true and correct. However, not all grant applications  
25 specifically reference permits and licenses. So it's

1 general language requiring compliance.

2 --o0o--

3 ASSISTANT DIRECTOR PACKARD: What we're proposing  
4 in this phase of the grant process is, as a condition of  
5 application, we're proposing to require the applicant to  
6 complete a checklist detailing the permits and licenses  
7 required for the project. And that is the handout that  
8 you have that has the three -- the green and yellow and  
9 green columns down the lefthand side. This is the  
10 proposed check list. This is a list of all of the permits  
11 that we're aware of that most applicants may need. And  
12 we're proposing that they use this checklist, tell us  
13 whether they have it, whether they're -- if they don't  
14 have it yet, how they're proposing to get it. And the  
15 certification language is right at the end of that check  
16 list. So they would be using the checklist, signing the  
17 certification that's at the back.

18 So we would require as part of the -- as a  
19 condition of application it will be applicant fill out the  
20 checklist, sign a certification that all permits required  
21 either have been or will be obtained; and if they haven't  
22 been obtained, they must submit a letter describing to us  
23 what they're doing to get those other permits and  
24 licenses.

25 And this is not intended to be a completely

1 all-inclusive list. We also have a place where they can  
2 tell us additional permits that we're not aware of that  
3 they're required to get. So they can add those as well.

4 BOARD MEMBER EATON: Can you just tell me then  
5 how -- if he had the light blue columns as the applicant  
6 has, this current valid permit license and filing, if they  
7 haven't got it, and the language says that they're going  
8 to --

9 ASSISTANT DIRECTOR PACKARD: The language says  
10 they have or will comply with all --

11 BOARD MEMBER EATON: "Or will" but --

12 ASSISTANT DIRECTOR PACKARD: Right. And then  
13 they have attached -- they are required to attach a letter  
14 describing what has been done or is being done in each  
15 case where they don't have it yet.

16 BOARD MEMBER EATON: Right. But you sort of  
17 combined one category, "obtained or will obtain" in that  
18 category. Because if I'm going through a checklist, okay,  
19 and I check building and construction permit, lets just  
20 say, or land-use zoning, but I haven't got that yet but  
21 I'm going to obtain it, how are you going to know that? I  
22 mean shouldn't there be a fourth column?

23 ASSISTANT DIRECTOR PACKARD: Okay. The first  
24 column -- maybe I'm not understanding you, Mr. Eaton. The  
25 first column, the applicant would look at this and go down

1 the yellow column and check off all the ones that they  
2 think they need or that they know they need for this  
3 project. And then they would go back and in the first  
4 column, the green column, they would show which ones they  
5 have.

6 BOARD MEMBER EATON: Right. But they may be  
7 applying in a blue column, because the proposed regulation  
8 says it will be --

9 ASSISTANT DIRECTOR PACKARD: I'm sorry. That's  
10 blue. That's not green.

11 Sorry. Maybe I'm more color blind than I ever  
12 though.

13 BOARD MEMBER EATON: Only males carry that gene,  
14 unfortunately.

15 ASSISTANT DIRECTOR PACKARD: What can I say. You  
16 discovered my secret.

17 (Laughter.)

18 BOARD MEMBER EATON: There's always a first.

19 I'm just trying to get -- because if I go down  
20 through the checklist, I won't know or the person who's  
21 reviewing on our staff won't know whether it's to be  
22 obtained because it may not be a new permit.

23 ASSISTANT DIRECTOR PACKARD: Yes.

24 Okay. We will revise the check list.

25 BOARD MEMBER EATON: You know what I'm saying?



1 So it just --

2 ASSISTANT DIRECTOR PACKARD: I understand what  
3 you're saying now, yes. Thank you.

4 BOARD MEMBER EATON: Okay.

5 CHAIRPERSON MOULTON-PATTERSON: Thank you, Mr.  
6 Eaton.

7 ASSISTANT DIRECTOR PACKARD: We will fix that.

8 --o0o--

9 ASSISTANT DIRECTOR PACKARD: Okay. So this is  
10 the checklist that we're proposing to use and the  
11 certification language at the end. And this is at the  
12 beginning of the process.

13 --o0o--

14 ASSISTANT DIRECTOR PACKARD: This requirement is  
15 based upon staff recommendation Number 2 in the agenda  
16 item, which is -- we hope the Board will indicate that  
17 certification of compliance made under penalty of is  
18 sufficient for verification that they have the permits  
19 that they needed.

20 --o0o--

21 ASSISTANT DIRECTOR PACKARD: So that would be  
22 during the first phase.

23 During the second phase, which is after the  
24 award, after the Board awards the grant funds but before  
25 the Board signs the grant agreement.

1           The existing process right now is the grantee  
2 must return the signed grant agreement and must pay all  
3 outstanding debt owed to the Board within 90 days of the  
4 date the grant agreement was sent.

5           The grant agreement does contain the general  
6 language that the grantee is certifying that they shall  
7 comply fully with all applicable Federal, State and local  
8 laws, ordinances, regulations, and permits, and that they  
9 must provide evidence of those permits upon request. That  
10 is the language right now.

11           Failure to comply with the grant agreement is a  
12 breach of contract that could result in nonpayment of  
13 funds, reimbursement by the grantee of funds paid,  
14 termination of the grant and placing the grantee on the  
15 Board's unreliable contractor's list.

16                               --o0o--

17           ASSISTANT DIRECTOR PACKARD: What we're proposing  
18 to strengthen this process a little bit more is to require  
19 as a condition of the award that the grantee update the  
20 checklist required in the application phase and provide a  
21 new -- sign a new certification saying that they have  
22 updated it and any new ones that they've gotten, they  
23 show, and also update the status of the ones that they're  
24 still working on.

25                               --o0o--

1 ASSISTANT DIRECTOR PACKARD: This action and this  
2 phase is how staff are recommending to implement  
3 Recommendations 1 and 2 in Agenda Item 53.

4 The Agenda Item 1: "Make verification of  
5 compliance a condition of the grant award, with a  
6 provision for after-award compliance;" and "Certification  
7 of compliance made under penalty of perjury is sufficient  
8 certification."

9 --o0o--

10 ASSISTANT DIRECTOR PACKARD: The third phase that  
11 we looked at is project management.

12 Our existing processes is that the grant manager  
13 monitors the project and ensures grant funds are paid only  
14 where appropriate by providing technical assistance;  
15 reviewing progress reports which are required; reviewing  
16 payment requests and expenditure requests; reviewing all  
17 supporting documentation; and maintaining ongoing  
18 communication with the grantee; and many times, grant  
19 managers, depending upon whether it's appropriate, also  
20 visit the project site.

21 --o0o--

22 ASSISTANT DIRECTOR PACKARD: Here we're proposing  
23 as a condition of payment that the grant manager uses the  
24 permit license checklist as part of this oversight process  
25 that we've just described, and that again at the time they

1 request payment they provide an updated checklist and an  
2 updated certification.

3 --o0o--

4 ASSISTANT DIRECTOR PACKARD: And again this is  
5 all based on the two recommendations made in the agenda  
6 item that you've seen already.

7 BOARD MEMBER JONES: Can I ask a question?

8 ASSISTANT DIRECTOR PACKARD: Sure.

9 BOARD MEMBER JONES: This is the most  
10 unbelievable list I've ever seen in my life. I mean I  
11 would never, ever apply for a grant. But the way this  
12 process works is some regulator along the way decides that  
13 somebody else needs another permit. That nobody had a  
14 clue that they needed some stupid little local thing.  
15 Does that mean that they are out of compliance? Because  
16 they certainly would not have anticipated it. It could be  
17 after the fact. We're setting this up that this is all or  
18 nothing. I mean you're talking about unreliable  
19 contractors' lists. This could be a planning department  
20 staffer that says they want a seismic study on a platform  
21 that is there for you to dump waste oil into a tank.

22 They would be in violation of our grant had they  
23 not known that somebody would ask them.

24 ASSISTANT DIRECTOR PACKARD: Well, the language  
25 the proposing that they be allowed the flexibility for the

1 grants -- or the permits and licenses that they can't get  
2 in advance. And there are many that can't get, for  
3 example, a permit before the project is done. Then they  
4 get the permit after. So we've provided -- there are some  
5 like that -- we've provide for that by allowing them to  
6 tell us, "We are now aware that we need this additional  
7 permit," and in their certification they certify that they  
8 will get that permit, and they describe to us what they  
9 are doing to get that permit. So it would not stop them  
10 from continuing with the project. It would not mean that  
11 they're in violation of the grant agreement, as long as  
12 they notify us and tell us what they're doing to get it  
13 and they update their certification.

14 BOARD MEMBER JONES: Where are we going to  
15 look -- I mean what's going to be an acceptable place to  
16 put the waste and hour law postings, the workman's comp  
17 postings, all of those different postings; at the job  
18 site, in the main office, in the dispatcher's lounge?  
19 Have we determined where it has to be?

20 ASSISTANT DIRECTOR PACKARD: I can't answer that.

21 BOARD MEMBER JONES: I mean we're asking for  
22 things that come on a -- they come on a 36 by 48 inch  
23 thing that every business just tacks them on a wall  
24 wherever their drivers can see. But we're asking if they  
25 have that in this -- which they have to have. But there's

1 other agencies that make sure that they have to comply  
2 with that.

3 ASSISTANT DIRECTOR PACKARD: Right. And that's  
4 why we're asking them to certify that they are in  
5 compliance with all those requirements. We are not going  
6 out and verifying that it's in the right place. We are  
7 asking them to certify that they're in compliance.

8 BOARD MEMBER ROBERTI: Madam Chair.

9 CHAIRPERSON MOULTON-PATTERSON: Mr. Jones. And  
10 then I'll call Senator Roberti.

11 One of the reasons I think staff has really  
12 worked hard on this is because I had a number of  
13 questions. And in the committee meeting, it certainly was  
14 made clear we do not want to take over local government's  
15 job on making sure they're in compliance in each and every  
16 permit. However, at least it was my opinion, that we  
17 should have some sort of sense that they have applied  
18 for -- you know, have gotten the permits that they've  
19 applied for, not that we're checking the compliance. And  
20 so I think staff is trying to find -- get assurances  
21 that -- at least my assurance that we are following up on  
22 these to make sure they're doing what they've said they  
23 were going to do.

24 BOARD MEMBER JONES: Right. But one of the  
25 ramifications is, if they've said that they would do this

1 and they don't, they can get put on the unreliable  
2 contractors' list, which means -- and they could be an  
3 oversight of a permit. But that's a drastic step. The un  
4 reliable contractors' listing means they're precluded from  
5 ever applying for any kind of a work or anything for three  
6 years. That's a huge hit.

7           DEPUTY DIRECTOR JORDAN: Mr. Jones, the  
8 unreliable contractors' list -- there is a policy in our  
9 process to that. And the indication from staff's  
10 viewpoint that someone should be placed on unreliable does  
11 not mean that the person goes on there right away. There  
12 is a whole process for review and appeal. So at that  
13 point it's not like they just get placed on it.

14           CHAIRPERSON MOULTON-PATTERSON: Thank you.  
15 Senator.

16           BOARD MEMBER ROBERTI: Well, first I want to  
17 commend staff for all the work they've done. This is a  
18 very difficult area.

19           I tend to agree with Mr. Jones' concerns that if  
20 an applicant sees this, it's going to be very scary. And  
21 you're going to just -- there's a -- if they see something  
22 like this -- I know we're not planning to put this up. So  
23 there's a tendency to be, I mean, and a reaction, "Who  
24 needs this headache. I'm not going to apply." And what  
25 I'm a little bit concerned about is that, you know, the

1 same tried and true applicants keep applying all the time  
2 and keep getting the grants and we in effect become their  
3 bank.

4           So I don't what to do about it. But there must  
5 be a way that we can streamline this so we're only talking  
6 about the more significant things and we're not talking  
7 about things in dispute.

8           For example, waiving hour laws. I mean I believe  
9 everybody should comply with wage and hour laws, no doubt  
10 about it. But sometimes the employer is right.  
11 Consequently, there may be a dispute. And if the fact  
12 that there's a pending dispute that's otherwise going to  
13 cause somebody not to make an application because he's  
14 going to say, "Who needs this headache, that I'm going to  
15 file, I'm in compliance and I have a dispute pending," I  
16 think we have to deal with the question of disputes and  
17 maybe somehow streamline the list.

18           Then on the other side of the coin, where I hope  
19 we give some attention, is that -- is not people who  
20 necessarily are out of compliance of a permit, but people  
21 who make misstatements of fact in the application. That's  
22 just as serious. And without mentioning names because it  
23 may be a dispute and so -- but in my review I was  
24 impressed by misstatement of -- what I thought was  
25 misstatement of fact. I'm not going to say categorically



1 it was, because it could be a difference of opinion. But  
2 in my humble estimation, I thought there were  
3 misstatements of fact. And that could be just as serious,  
4 leading us to make a grant, as somebody not having the  
5 application.

6 So I would say that is something that, when we  
7 come up with our final decision on this, we give that  
8 equal attention.

9 So I'm viewing this as sort of like the first  
10 go-around. This is tough. But from my point of view,  
11 one, a more streamlined list, maybe the more serious  
12 applications. So somebody, who especially is not  
13 conversant with our ways, just doesn't say, "I don't need  
14 this headache. I'm not going to apply."

15 Two, that we handle disputes; and then, three, we  
16 deal with misstatements of fact that are material, and how  
17 we maybe could get out of a grant within a reasonable --  
18 within the early period of time, where somebody may have  
19 gotten the grant, you know, based on misinformation that  
20 we would have received.

21 CHAIRPERSON MOULTON-PATTERSON: When is the  
22 report due to the Legislature?

23 ASSISTANT DIRECTOR PACKARD: December first.

24 We certainly can take a look at the checklist and  
25 see if we can streamline it. That's not a problem.

1 EXECUTIVE DIRECTOR LEARY: Madam Chair, I think  
2 it's important to point out to the Senator that we don't  
3 intend this as a statement of requirement for an applicant  
4 to have completed all this for a business license.  
5 Obviously this is a comprehensive list, that would just be  
6 a checklist. It's not meant to intimidate, but to make  
7 sure the credible applicant have thought these issues  
8 through.

9 BOARD MEMBER ROBERTI: I understand that, but  
10 I --

11 EXECUTIVE DIRECTOR LEARY: And most will have.  
12 Most people --

13 BOARD MEMBER ROBERTI: I understand that. And  
14 maybe I'm overly concerned. But I know if I were a new  
15 applicant to the Board and I were looking at this list, or  
16 somebody like it, I mean I'd be sort of intimidated. It's  
17 just -- I mean it's just the way human nature is, I think.  
18 And I know that's not the intent.

19 So maybe we have no option but this. But I would  
20 like to see something that's maybe a little bit more  
21 streamlined. Because one fear I -- one fear I have, not  
22 only from the point of view of the applicant but from our  
23 own granting authority, is that if we're not careful,  
24 especially on some of these grants where you're dealing  
25 with a very narrow neighborhood of people who deal with

1 this stuff, you know, we can be giving grants to, you  
2 know, the same few every year and we just sort of -- every  
3 new granting period we recycle the winners and next  
4 granting period, you know, "You lost this month, but come  
5 back next month." I'm not saying that's happening, but I  
6 think it is something that, you know, we have to guard  
7 against.

8 I think staff's done an excellent job just  
9 narrowing the issue. But I want something -- I would like  
10 to see something less intimidating to a grant applicant  
11 that sort of tells him, hey, this may be in dispute and  
12 that not necessarily going to penalize you. And then,  
13 third, something that has nothing to do with permits, but  
14 I view just as serious and, that is, you know,  
15 misstatements of fact in the application.

16 CHAIRPERSON MOULTON-PATTERSON: And, Senator, I  
17 think that's what we were trying to get at, you know.  
18 There's got to be some middle ground here. And we don't  
19 wanted to scare away people that might be very good  
20 applicants. But we want to make sure they're telling the  
21 truth.

22 BOARD MEMBER ROBERTI: Absolutely.

23 CHAIRPERSON MOULTON-PATTERSON: And we want  
24 follow-up. So, you know, obviously this needs some more  
25 work and needs to -- I know you're trying to please

1 different view points, but I think it needs to come back  
2 to our committee.

3           Wouldn't you agree, Mr. Medina.

4           BOARD MEMBER MEDINA: I do. I think that as a  
5 work-in document this is off to a very good start. And I  
6 appreciate being able to see all of the various permits  
7 and licenses and everything else that is required. So  
8 again the staff have done a good job in terms of putting  
9 this work in document.

10           ASSISTANT DIRECTOR PACKARD: Okay. If I could  
11 just mention the last step in this, which is during the  
12 audit process.

13           All grants are currently subject to Board and  
14 Department of Finance audits. And grantees are required  
15 to retain all their documents for at least three years.  
16 And what we're proposing based upon the discussion in the  
17 Committee meeting is that we could add a component to the  
18 existing financial audits that would examine grantee files  
19 to verify that the permits licenses are actually in their  
20 files at the grantee's location.

21           So that would be the last check after the project  
22 is completed. Through the audit phase we could go through  
23 and verify for a certain selected number and however many  
24 we audit each year, which 10 percent right now, we would  
25 be verifying that they actually had the permits and

1 licenses that they certified they had. So that'd be the  
2 last step.

3           So if I could, just to make sure I have all the  
4 things that you want addressed: A more streamlined list,  
5 maybe a little more explanation about what they're  
6 actually doing with the list and what it means; revising  
7 the boxes to include so that it's very clear which ones  
8 you have, which ones you don't have, and which ones you're  
9 working on; and then to address somehow misstatements of  
10 fact other than about permits and licenses. And there is  
11 standard language in the application and the grant  
12 agreement right now that relates to anything in the  
13 package.

14           So I'm thinking, and I'm sure we'll discuss it  
15 before the next agenda item, but that those things -- that  
16 same language that they signed certifying that everything  
17 is true and correct would require some level of additional  
18 oversight or reviewing as opposed to changing the process  
19 or including anything in this agenda item. So we can  
20 address that as well.

21           Is that about right.

22           Okay. Thank you.

23           BOARD MEMBER PAPARIAN: Madam Chair.

24           CHAIRPERSON MOULTON-PATTERSON: Mr. Paparian.

25           BOARD MEMBER PAPARIAN: A couple things on the

1 checklist. I'm wondering from -- I guess far from the  
2 legal perspective, the little boxes that they have to  
3 check for the certification, whether something should be  
4 added suggesting that whoever signs it understands that  
5 they could forfeit the grant or be required to pay it back  
6 if this information proves to be inaccurate.

7           What I'm concerned about is that taking this by  
8 itself it appears that the remedy if you -- if we were to  
9 find out somebody didn't have a land-use permit and they  
10 said that they did on this form, it appears that the  
11 remedy would be to go after them for perjury as opposed to  
12 go after them for -- you know, just to take back our  
13 money. I don't know if this right or not. I'm an  
14 attorney. But I think that we may want to look at whether  
15 we ought to have something in there adding to their  
16 understanding that if they fill this out inaccurately,  
17 they could forfeit the grant or be required to pay it  
18 back.

19           CHAIRPERSON MOULTON-PATTERSON: Ms. Tobias, did  
20 you want to say it to the full Board?

21           CHIEF COUNSEL TOBIAS: I'm trying to deal with  
22 two people at once.

23           I think we could add something like that to it.  
24 Although I think -- you know, I guess in my experience,  
25 and the Board may not be aware it, what I did in a former

1 life was permitting. And so I think that most entities  
2 are going to not be surprised by this list. And in fact,  
3 you know, I think the list is a fairly complete one. And  
4 I think you'd probably find that most grantees would start  
5 working off this list to make sure that they did have all  
6 of these things.

7           So, you know, I think that might be good  
8 cautionary note to put in there, Mr. Paparian, that we  
9 could add to it.

10           I will also point out that a number of these --  
11 and the Board may want to distinguish between a  
12 discretionary permit and an administerial permit. Or you  
13 may not want to.

14           You know, the PR that comes off of a missing  
15 permit, whether it's administerial or discretionary, can  
16 be just as embarrassing with one or the other. On the  
17 other hand, generally it's the discretionary ones that,  
18 you know, would be more important, that people would want  
19 to deal with.

20           So, you know, I think staff in trying to put  
21 together this list is responding to both those concerns of  
22 the Board, where we either have had some issues where  
23 there have been allegations of permits that haven't been  
24 obtained or the type of project that needs it. A number  
25 of our grants would not even probably trigger this list.

1 As you may recall, this comes off of the tire  
2 commercialization grants, which probably, you know, does  
3 have more discretionary permits. Some of them, playground  
4 mats, things like that, aren't going to trigger any  
5 permits at all. It's the jurisdiction itself that's going  
6 to use the grant money on their own projects.

7           So I certainly think we can go back and make --  
8 you know, attempt to deal with the questions and points  
9 that the Board has brought up so far. But most grantees,  
10 in my experience, are not going to be surprised to see  
11 this type of a list. It's actually, you know, when you're  
12 doing this kind of work, it's pretty straight forward.

13           BOARD MEMBER PAPARIAN: I had an additional  
14 question.

15           The list in the other category on the back --  
16 yeah, I'm not sure of any advisability of having the  
17 credit report stuff be part of this checklist or not. But  
18 aren't there more than one -- isn't there more than one  
19 company that would provide this kind of information, like  
20 a personal credit report?

21           ASSISTANT DIRECTOR PACKARD: Yes.

22           BOARD MEMBER PAPARIAN: Okay. So --

23           ASSISTANT DIRECTOR PACKARD: We'll talk about  
24 that as well when we propose some revisions to it.

25           BOARD MEMBER PAPARIAN: Yeah, I don't think we



1 should specify a preferred company in this --

2 ASSISTANT DIRECTOR PACKARD: Thank you.

3 CHAIRPERSON MOULTON-PATTERSON: Mr. Jones.

4 BOARD MEMBER JONES: Can you answer me, why are  
5 we asking for a personal credit? Are we asking it for the  
6 company? Are we asking it for the individual, for the  
7 managers, for the owners, for the stockholders in the  
8 company? Who exactly do we think that we're going to ask  
9 for this credit from?

10 ASSISTANT DIRECTOR PACKARD: If you don't mind,  
11 I'd like -- maybe Jim could --

12 CHAIRPERSON MOULTON-PATTERSON: You know, our  
13 court reporter needs a break right now. So I hate to stop  
14 things, but if we could take a small break and then we'll  
15 come right back to that.

16 (Thereupon a brief recess was taken.)

17 CHAIRPERSON MOULTON-PATTERSON: I'll call the  
18 meeting back to order.

19 We're going to finish up on Item 53 here.

20 And before we do though, we'll start with ex  
21 partes.

22 Mr. Eaton.

23 BOARD MEMBER EATON: Just a quick hello to Barry  
24 Takallou, who had a quick -- two comments on the item that  
25 we're currently on.

1 CHAIRPERSON MOULTON-PATTERSON: Mr. Jones.

2 BOARD MEMBER JONES: Yeah, Bob Winters and  
3 Michelle Renord.

4 CHAIRPERSON MOULTON-PATTERSON: Okay. And I also  
5 said hello to Dr. Takallou. And he had a question about  
6 53.

7 BOARD MEMBER MEDINA: None to report.

8 CHAIRPERSON MOULTON-PATTERSON: Thanks, Mr.  
9 Medina.

10 Mr. Paparian, expartes?

11 BOARD MEMBER PAPARIAN: Yes, Paul Rellis  
12 regarding conversion technology issues, and also George  
13 Larson regarding tire product commercialization.

14 CHAIRPERSON MOULTON-PATTERSON: Okay. Thank you.

15 Ms. Packard, did you --

16 ASSISTANT DIRECTOR PACKARD: I just had a  
17 couple --

18 CHAIRPERSON MOULTON-PATTERSON: -- Item 53 for  
19 everyone.

20 ASSISTANT DIRECTOR PACKARD: Just a couple  
21 comments to make.

22 In terms of the big picture, what we're trying to  
23 do here is provide the Board with some options. In a way,  
24 it's kind of walking a fine line between the perception  
25 that we're not doing anything to either check on our

1 verified permits and the belief that might be out there  
2 that we should be receiving copies of every permit that's  
3 required for any project and having to verify compliance  
4 with it in some way. So we're trying to create a process  
5 here that walks the line between those two extremes.

6           We obviously don't have the staff or the  
7 expertise to verify compliance with every permit that's  
8 required from any grantee. And currently we have in  
9 excess of 900 active grantees to work with. So you can  
10 see how the numbers could kind of pile up there, depending  
11 upon what's required here.

12           We felt that the approach of a certification with  
13 a checklist kind of found that line in between those two  
14 extremes. And although you did give us some guidance on  
15 the checklist itself, we're not sure that our general  
16 approach is what you're looking for. Or is there some  
17 other approach besides the certification with or without a  
18 checklist that you feel is appropriate? So we were hoping  
19 to at least get some feedback on that specific point, so  
20 that when we come back to you next month, if there's some  
21 other approach that you want or feel that's more  
22 appropriate, then we can gear our efforts in that area  
23 rather than bring you back something like this that maybe  
24 you didn't like after all and we didn't get to the  
25 discussion on the general approach.

1           CHAIRPERSON MOULTON-PATTERSON: I think -- and  
2 you can correct me if I'm wrong -- your general approach  
3 is the way we want to go, because we do want to make sure  
4 that we are checking up on our grants and all that, but  
5 obviously local control is very important and they are the  
6 ones that check on the compliance. So I think we're in  
7 agreement with your approach. I just think it needs some  
8 more fine tuning, and then it will come back before the  
9 Committee -- the Budget Committee and then come back to  
10 the full Board. And I do have a speaker though before we  
11 conclude.

12           Any comments, Mr. Eaton?

13           BOARD MEMBER EATON: Just a couple things.

14           Have we checked with other regulatory bodies,  
15 that find themselves with grant programs, and defer for  
16 any approaches that they might have found to be useful  
17 that deal with the public health and safety aspect of it?  
18 And If you already have -- I'm sure you have, but is there  
19 any novel ones that you think might be beneficial, then  
20 that would be the case. But I do believe you're on the  
21 right track. Obviously it's a working document. It's a  
22 document that, you know, will have to be changed depending  
23 upon what takes place. But as you look at things, it is  
24 almost a list that they have to go through when they --  
25 when they apply for a solid waste facilities permit. And

1 it's one thing that I would like to know -- and I know it  
2 seems like an exhaustive list, but really I think it's not  
3 if you look at what took place maybe a couple of years ago  
4 when we had a transfer station up in Humboldt County that  
5 was located next to a wetlands. If we had provided money  
6 and a grant to build that or something, I would want to  
7 know whether or not they had the proper permits for that  
8 environmental sensitive zone.

9           It wasn't to say that we were going to deny them  
10 a permit. What it would do is I think it affects more how  
11 we distribute the funds and when we distribute the funds  
12 some of these permits require as opposed to a denial of  
13 the fact that you don't. And in some cases it acts as a  
14 reminder that maybe you need to check those, because as  
15 business people may be very savvy in terms of certain  
16 areas, they also need reminders. So I think we're getting  
17 there. And it's just, you know, a good work in progress,  
18 a good start.

19           CHAIRPERSON MOULTON-PATTERSON: Thank you, Mr.  
20 Eaton.

21           Mr. Jones.

22           BOARD MEMBER JONES: Thanks, Madam Chair.

23           You know, I'm sensitive to the idea that we do  
24 need to make sure that the required permits are in place.  
25 I have no problem with that. But I think that if you look

1 at, lets say, a 2136 grant, the jurisdictions applying  
2 this, a contractor's doing it, either a local contractor  
3 or a State one, somebody that's in contract with us; are  
4 they going to have a requirement to fill out any of this?  
5 Probably not. Are used oil? Probably not.

6 I guess I would like to know how many of the  
7 grant programs this would actually pertain to. And I  
8 think, off the top of my head, we're looking at tire  
9 commercialization and probably -- that might be -- well,  
10 although we do have some household hazardous waste grants  
11 that run through a local jurisdiction, but go to a  
12 private -- could go to a private company that provides  
13 those services locally.

14 Who would be required under that scenario to fill  
15 out this information, the local government or the actual  
16 person where the hazardous waste container or whatever is  
17 going to be placed on?

18 If it's -- because there is a requirement that  
19 Special Waste staff would go out and make sure that that  
20 bin or oil collection system or something has been placed  
21 at the facility that was identified. That's more  
22 important to me than knowing if the city, you know, has  
23 all of the right stuff, because they're going to need a  
24 couple of local permits to place that thing. That's about  
25 it. So this really I think sort of looks like it just

1 goes to tire commercialization.

2           So which of these really is necessary to make  
3 sure that we're, you know, protected and the State's  
4 Treasury. We're going to have debates when it comes to  
5 air district permits. When you go to build something, you  
6 notify a local air district that you're going to build it.  
7 And they're aware. But they don't issue a permit normally  
8 until it's operating. So does that allow people that want  
9 to object to somebody getting a grant to come in and say,  
10 "They have the permit?" Because clearly the system  
11 doesn't work that way. I mean there are steps that  
12 everybody has to go through. So, you know, maybe it would  
13 be more beneficial for every time we do a scope of work to  
14 give away grant dollars, that an appropriate checklist is  
15 part of the scope of work, what's appropriate for that  
16 type of permit with an ultimate catch-all that says you're  
17 signing this under perjury. If there are things that you  
18 should have had that weren't on this list and you didn't  
19 provide them, then, you know, you're putting those grant  
20 dollars at risk.

21           I'd have no problem with that. But I think that  
22 it's unclear to me, when you're asking for financial  
23 statements or financial wherewithal from Bradstreet, who  
24 it's going to be on, the Board of Directors, the person  
25 that's running the operation, or every stockholder that's

1 in the company? Or is it just of the company and not --

2 ASSISTANT DIRECTOR PACKARD: If I could apologize  
3 for that. We got the wrong copy. All of that was deleted  
4 from the checklist that we were proposing, those last  
5 items that you're questioning right now, Mr. Jones.

6 It was my office's fault. We got the wrong copy  
7 of the checklist. All of that was off of it.

8 This checklist was developed from Cal Gold. And  
9 there were some things on there as information for the  
10 users of Cal Gold. And when the checklist was developed  
11 internally, we got the second to the last revision instead  
12 of the last revision. So those shouldn't be on there at  
13 all. And the air quality permits are missing from it as  
14 well, from the one that I gave you a copy of. So you did  
15 not have a current version, and I apologize for that.

16 BOARD MEMBER JONES: Actually I saw the air  
17 district one. But, you know, I mean I think that that  
18 needs to be explained, because there is a difference. You  
19 know, when you go to the air district --

20 CHAIRPERSON MOULTON-PATTERSON: We talked about  
21 it in Committee.

22 ASSISTANT DIRECTOR PACKARD: Right. And that is  
23 in the agenda item, that we -- we were well aware. That's  
24 why we tried to make the process flexible enough, so that  
25 for those permits that you're aware you need to have, you



1 can explain to us, "I need this particular air district  
2 permit, but I can't get it till further down the line.  
3 But this is what I'm doing to get it." And the grant  
4 manager reviews that process, as they do right now with  
5 the grants, to make sure that they get it at the  
6 appropriate point in time. So there's flexibility built  
7 into the process. We never intended to suggest that they  
8 had to have everything whether they could get it or not in  
9 advance of receiving the funding. So that is intended to  
10 be built into the process.

11 One last thing, if you don't mind. We certainly  
12 could take a look at this checklist idea in several  
13 different ways. One, is we develop the checklist and they  
14 actually check it off and sign on the back.

15 We could revise this checklist and have them use  
16 it as simply a tool to make sure that they've got  
17 everything that they need; rather than having them check  
18 off things, it's just, "Here's a list of potential ones  
19 that you need to get. Tell us which ones are critical."

20 We could identify the critical ones. They could  
21 identify the critical ones. There are pros and cons to  
22 each of those approaches. But a checklist can be used in  
23 different ways ultimately we could just require them to  
24 certify and not have a checklist at all.

25 So there's different ways that we could approach

1 this.

2 CHAIRPERSON MOULTON-PATTERSON: Thank you, Ms.  
3 Packard.

4 Mr. Paparian.

5 BOARD MEMBER PAPARIAN: I'm comfortable with the  
6 direction that you suggested. But I'm a little bit  
7 concerned that we have other grants coming up in the  
8 interim between now and when this would be finalized. I'm  
9 wondering what sort of process we'll be using for those.  
10 We even have one on the agenda today that's -- you know,  
11 where issues have been raised in the past related to  
12 permits held by some of the applicants.

13 ASSISTANT DIRECTOR PACKARD: The current process  
14 for all the grants is the general language that requires  
15 compliance, but doesn't necessarily say permits and  
16 licenses. So there is in the grant agreement compliance  
17 language, "I certify that" and then compliance with.

18 There's also some general certification language  
19 in the application.

20 So in the absence of the Board adopting our  
21 particular wording on policy today, they would continue to  
22 just use the general language, without a checklist; except  
23 for specific grants where they actually require copies of  
24 certain things. Tire commercialization is one of them.

25 BOARD MEMBER PAPARIAN: Would you think it would

1 be advisable to revise that at all as an interim measure  
2 until we're able to come back to this in a few months?

3 ASSISTANT DIRECTOR PACKARD: I personally would  
4 recommend that the language, the certification language be  
5 strengthened so that it does refer to permits and  
6 licenses. Instead of in general "I'm in compliance with  
7 everything I need," specifically add the language saying  
8 permits and licenses, et cetera, at least as an interim  
9 step, so that the certification is more on point as far as  
10 this.

11 BOARD MEMBER PAPARIAN: I'd certainly like to  
12 hear from the witness. But maybe counsel would help us  
13 with whatever language we might need to assure that that  
14 would happen.

15 CHIEF COUNSEL TOBIAS: Well, we could do that. I  
16 think if the Board wanted to on this particular permit --  
17 although generally we strive for consistency among all the  
18 programs, you know, if the Board feels that the grant  
19 program that's on the agenda today is one that needs this  
20 approach, we could certainly go with either, as Rubia was  
21 discussing, you know, a checklist that says, "Tell us  
22 which permits you need," or just add this into the permit  
23 application and then, as Rubia said, strengthen the  
24 language. So we could certainly strengthen the language  
25 and do that in this and make it more specific to the

1 permits and licenses.

2 But if the Board wanted to try this and see what  
3 happens with this grant program by adding in the list in  
4 one way, shape, or form, I think the Board could do that.

5 BOARD MEMBER PAPARIAN: I think what I was  
6 hearing from other Board members was that they weren't  
7 ready for the checklist as we see it today. So what I'm  
8 suggesting is something in between where we strengthen  
9 that certification language. So if you could perhaps --

10 ASSISTANT DIRECTOR PACKARD: That wouldn't take  
11 very much, as I understood it from Marie, to just make the  
12 language the same for everybody and add the words so  
13 that's specific to permits and licenses as well.

14 BOARD MEMBER PAPARIAN: So if you could help us  
15 with the resolution that would accomplish that, that would  
16 be great.

17 CHAIRPERSON MOULTON-PATTERSON: Okay. Senator  
18 Roberti, before we go to this speaker, did you have any ex  
19 partes you wanted to get on the record?

20 BOARD MEMBER ROBERTI: No.

21 CHAIRPERSON MOULTON-PATTERSON: Okay. Thank you.  
22 Dr. Barry Takallou.

23 DR. TAKALLOU: Good morning, Madam Chair, Members  
24 of the Board.

25 I would like to address the Board on a couple of

1 comments I have seen on the Resolution, Agenda Item 53, of  
2 staff comments. One of the comments I'm seeing here, and  
3 it was just made by Board Member Jones, "It's impossible  
4 to get a permit prior to you're project."

5 We are in the crum rubber business. We are  
6 subject to Air Quality District -- Southern California Air  
7 Quality District.

8 Getting a permit for commercialization grant is  
9 like building a -- constructing a building. If you want  
10 to construct a building, you go to your city and county  
11 and say, "These are my blueprints and I want to construct  
12 this building," and then they would issue a permit to  
13 construct.

14 Air quality is like that too. It's a three-step  
15 process. And the step is not really lengthy and is on the  
16 website.

17 The first step, you just go to your Air Quality  
18 District and say, "This is the project. Do I need a  
19 permit?" You may over the counter, the engineer telling  
20 you, "You do not need permit. This Rule 209 applies to  
21 you."

22 The next -- if the engineer determines you need a  
23 permit, you submit your project, your blue prints, what  
24 you want to do. And Air Quality would issue a permit  
25 within one to two weeks, permit to construct. That means

1 I tell you I want to do, and Air Quality knows this  
2 project is going to get constructed in this neighborhood,  
3 and these are the air control devices you need.

4 So you provided your blue prints, what you want  
5 to do; and they make comments, "These are the blue prints.  
6 This is what you're going to do. And this is the size of  
7 the backhouse you need."

8 And then you get -- you got to construct your  
9 project. You can operate your project while you are under  
10 permit to construct. And it is very legal to operate.  
11 And it's up to Air Quality District that would come and  
12 make sure you follow their recommendation. Once they  
13 inspect the project, they issue the final permit.

14 So what I'm hearing here it's impossible to get a  
15 permit. You've got to go through the process. The  
16 process is not costly, it's not lengthy. Just it makes it  
17 more discipline for applicant to understand before getting  
18 you on this project, what I need to do. And often time  
19 Air Quality is the last thing in the process because we  
20 don't think about it.

21 There was one comment I had. The other comment  
22 is -- I notice the staff, it says if you require permits,  
23 it's going to be a burden on the staff. I really think  
24 that should be a burden on applicant.

25 I have example for you. This is the city of San

1 Bernardino zone verification review. You can get these  
2 things on every city and county over the counter. You  
3 present your project. You say, for instance, "I want to  
4 set up a major tire recycling facility in this area," and  
5 they sign it for you, over the counter. If that's  
6 allowable, you can get this and you can attach this to  
7 your grant application. You're already verified this is a  
8 right land-use planning.

9           So the question would come, why some applicants,  
10 they don't want to go to that trouble? Maybe they can not  
11 get the zoning, and that's why they just choose not to go  
12 for it.

13           But the process is not lengthy process. It makes  
14 the -- it's good actually for applicant, because -- let's  
15 use an example, tire commercialization project. Two  
16 hundred fifty thousand tires a year. Three million pounds  
17 of crum rubber going to produce out of this two hundred  
18 fifty thousand tires. That's lots of material.

19           We've got to think about the fire safety,  
20 traffic, air quality, and the water issue.

21           And the last comment I have, and I want -- I  
22 didn't see on there the checklist, Prop 65, the Water  
23 Toxicity Act of 1987. I think the applicant should  
24 examine himself, "Does the Prop 65 apply to my project or  
25 not?" There are some chemicals at least in rubber-molded

1 products. When you are reacting crum rubber with binder  
2 at the lavidiate temperature, there has been signs of  
3 pyrolyene, which is -- that's one of the carcinogenic  
4 chemicals. You know, and there's nothing wrong with that.  
5 You know, the only thing Prop 65 says, just let these  
6 neighborhood -- these schools know, "I'm going to do this  
7 project in your neighborhood." Just a public  
8 notification.

9           So Prop 65 verification, in my opinion, is  
10 important in the law to be followed.

11           So in summary, in my opinion, the burden should  
12 be on the applicant. If somebody requesting \$250,000  
13 public money and a minimal match money which is  
14 required -- at least minimal \$125,000, in my opinion  
15 that's a major project. And if the person does not bother  
16 even going to get a business license or check with the Air  
17 Quality District or Water Quality District, you're  
18 actually not serving that applicant. You're putting him  
19 in a wrong situation. You know, he may even lose his own  
20 match money to get into these projects.

21           So that's my comments.

22           CHAIRPERSON MOULTON-PATTERSON: Thank you, Dr.  
23 Takallou.

24           Mr. Jones.

25           BOARD MEMBER JONES: Just to sort of set the



1 record straight. What I said was the final air permit.  
2 Because prior to that I had talked about that when you  
3 start a project, you'd notify them. But you don't get a  
4 finalized project from the Air District until after it's  
5 up and running. So your clarification may have been my  
6 inability to express that in a way that everybody in the  
7 room understood. But I didn't want to walk away thinking  
8 I don't understand how the process works.

9 DR. TAKALLOU: I just wanted to say, you know, to  
10 get a -- we can operate your plant with the laws of Air  
11 Quality District regulations on the permit to construct.  
12 It's not a lengthy process. It's on the Internet, and  
13 it's usually two-weeks process you can get it.

14 BOARD MEMBER JONES: That's what I said. Yeah,  
15 thanks.

16 CHAIRPERSON MOULTON-PATTERSON: Thank you.

17 ASSISTANT DIRECTOR PACKARD: As far as the  
18 determination of whether you need to give us guidance --  
19 can give us guidance or you need to adopt a resolution  
20 relative to strengthening the existing language, I  
21 understand from the Legal Office that you can just provide  
22 us with direction to strengthen that language about  
23 compliance in subsequent grants until the Board takes this  
24 up again; or you can -- or we can work out a resolution --  
25 we can hold this item open and we can take a resolution,

1 revise it, and give it back to you maybe this afternoon.

2 Whichever way you wish to do that.

3 BOARD MEMBER EATON: I think that the item needs  
4 to be put over. I think what you can do in the interim --  
5 I think Mr. Paparian makes a good point, is if you look at  
6 the timeline by which the grant that's the subject or  
7 future subjects, you sit there and you have a grant, the  
8 application process, the NOFA goes out, and all the other  
9 things, you know. And we're talking sometimes September  
10 or October, are we not, before it really comes down?

11 During the question and answer period, during the NOFA,  
12 you should advise in large red letters that the Board is  
13 now considering X, Y, and Z as it relates to permits.

14 That will cover any subsequent grant programs, I  
15 believe. I mean you'll have notice that the Board is in  
16 the process of revising and that these will become subject  
17 to it. Because the application is just a notice of  
18 application, it's not accepting the application. And if  
19 we are going to be going into -- by the time application  
20 starts to be going and after questions and answers, then  
21 we will be in real trouble because we will have not  
22 adopted what we need to and get it to the Legislature in  
23 time. So we're really talking about a 60-day window  
24 really.

25 CHIEF COUNSEL TOBIAS: Well, I think the Board

1 could do that. I would probably be more comfortable from  
2 a legal standpoint if the Board directed today how they  
3 would like us to handle this in the interim, knowing that  
4 item's coming back. I'm a little uncomfortable it going  
5 out.

6 BOARD MEMBER EATON: Not saying that. She wants  
7 the resolution adopted today.

8 ASSISTANT DIRECTOR PACKARD: No. I'm sorry, Mr.  
9 Eaton, if I was unclear. I was answering Mr. Paparian's  
10 concern that in the interim before the Board adopts the  
11 policy on all of this, that there maybe grants that come  
12 before you. Would the Board like us to -- and I thought I  
13 heard him say he would like us to strengthen the existing  
14 certification that's in there to make it -- to add words  
15 "permits and licenses" only, that's all. And the question  
16 was whether the Board could just direct us to do that or  
17 that whether or not you needed to adopt a resolution that  
18 directed us to do that. And the Legal Office felt that  
19 you can just tell us, "Add permits and licenses to the  
20 existing certification for any future grants until we get  
21 this all resolved."

22 BOARD MEMBER EATON: That's fine.

23 ASSISTANT DIRECTOR PACKARD. That was what I  
24 trying to clarify.

25 CHAIRPERSON MOULTON-PATTERSON: Mr. Paparian and

1 then Mr. Jones.

2 Is that okay with you?

3 BOARD MEMBER PAPARIAN: Yeah, that's okay with  
4 me. I think you're going to want to get just a sense of  
5 the Board. I think I see nodding heads.

6 Mr. Jones might have a comment about that.

7 CHAIRPERSON MOULTON-PATTERSON: Mr. Jones.

8 BOARD MEMBER JONES: Yeah, Madam Chair, I don't  
9 have a problem with that.

10 One of the things that I'll throw out. Staff,  
11 when you do the scope of work and you bring it to us for  
12 approval, could include a checklist, just a -- you know,  
13 one that deals with the permits and deals with some of  
14 that pertinent information while we're working through  
15 this. I mean at least that with the added language may be  
16 enough direction. I don't know if staff's comfortable  
17 with that. I mean we still have a lot of work to do I  
18 think on this. But there are clearer permits that --  
19 there were proposals that came to us that didn't even  
20 include waste tire hauler permits or other haul --  
21 processor permits in with the package.

22 So I'd have no problem with including, you know,  
23 a listing of, you know, the air permits, the this permit,  
24 the that permit, and then we can work on some of this  
25 other stuff. But it might be a way to deal with that

1 issue for everybody's satisfaction to tighten it up.

2 CHAIRPERSON MOULTON-PATTERSON: So do you have  
3 enough direction, that we want it tightened up and we're  
4 going to be bringing the wording of the checklist back to  
5 the Committee and then on to the full Board?

6 ASSISTANT DIRECTOR PACKARD: Yes, that's my  
7 understanding.

8 CHIEF COUNSEL TOBIAS: Madam Chair, I guess I'd  
9 just say, if the Board is clear that at the moment all  
10 we're doing is adding those words to it, then the  
11 direction to the staff is fine as long as you think that  
12 you have a majority. But you could use a motion if there  
13 was some concern on the part of the Board that we don't  
14 have clear direction at the moment. Without a resolution,  
15 just to do that. So --

16 CHAIRPERSON MOULTON-PATTERSON: I think that's  
17 clear direction.

18 Thank you.

19 ASSISTANT DIRECTOR PACKARD: Thank you very much.

20 CHAIRPERSON MOULTON-PATTERSON: Okay. Item  
21 Number --

22 DR. TAKALLOU: Thank you, Madam Chair.

23 CHAIRPERSON MOULTON-PATTERSON: Thank you, Dr.  
24 Takallou.

25 Number 55.

1           DEPUTY DIRECTOR JORDAN: Yes, Madam Chair. Good  
2 morning again. This is Terry Jordan from the  
3 Administration and Finance Division.

4           Item 55 will be presented by Roger Ikemoto.

5           MR. IKEMOTO: Madam Chair and Board Members, I'm  
6 Roger Ikemoto of the Administration and Finance Division  
7 here to present Item Number 55, consideration of options  
8 for the modification to current policy on grant scoring  
9 criteria and evaluation process.

10          The purpose of this item is to address the  
11 proposed modifications to the grant scoring criteria and  
12 evaluation process based on the discussion at the March  
13 2002 Board meeting in El Centro.

14          Staff for the Grants Administration Unit met with  
15 Program staff to discuss ways to improve the scoring  
16 criteria and evaluation process.

17          This item presents six modifications to the  
18 current grant scoring criteria and evaluation process  
19 policies that should improve the process.

20          I'm going to try to group 1 through -- points one  
21 through three together and then ask if there's any  
22 questions. Then after each preceding one after that, talk  
23 about the topic and then break in and see if you have any  
24 questions.

25          The revised scoring criteria. Please refer to

1 Attachment Number 3.

2           The revised scoring criteria is a suggestive  
3 framework with clarifying language for program staff to  
4 use as appropriate to modify and/or expand on to meet  
5 their specific -- or to meet their specific and unique  
6 grant programs when developing their scoring criteria.

7           Staff is recommending: 1) Modifying the scoring  
8 criteria to eliminate the overlap of some criteria  
9 categories. The general scoring criteria categories,  
10 along with their definitions or statements, should appear  
11 on all scoring criteria brought forward to the Board for  
12 approval. However, the bulleted points appearing under  
13 each general scoring criteria are suggested points that  
14 should be addressed by each grant applicant.

15           I'd like to emphasize that the Program staff and  
16 the Board should retain their option to keep the suggested  
17 bulleted points as they appear in Attachment 3, to modify  
18 the bulleted points, and/or to add bulleted points as  
19 necessary.

20           A second topic is: Clarifying the scoring  
21 criteria to allow Program staff and Board members the  
22 ability to tailor their scoring criteria to a particular  
23 grant program.

24           And the third is: To simplify the applicants'  
25 efforts to apply for a grant.

1           To clarify and simplify the scoring criteria, we  
2 have revised the previous objective criterion to goals and  
3 objectives criterion and the methodology criterion to  
4 workplan criterion as illustrated in Attachment Number 3.

5           In the past we have heard that applicants were  
6 unclear about how to best address the objective and  
7 methodology criteria. Therefore, many applicants copied  
8 and paste information to both, then slightly revised the  
9 information. The proposed goals and objectives and  
10 workplan criteria hope to improve the applicants' ability  
11 to address these criteria.

12           Also, the new statutory requirement category  
13 listed under the program criteria is to inform the Board  
14 of statutory requirements and to show that statutory  
15 requirements have been addressed.

16           Some programs have statutory requirements that  
17 the Board must consider in prioritizing the use of grant  
18 funds. While other programs specify requirements, they  
19 give the Board the discretion in the form of policy and  
20 regulations to consider other relevant factors.

21           This section of the program criteria will be used  
22 to list the requirements and clearly identify any  
23 statutory or discretionary -- if a program has no  
24 statutory requirements, they may not have a statutory  
25 category. They could leave the statutory -- or the



1 category blank or write "none" or something similar in the  
2 category.

3           It is our belief that the revised scoring  
4 criteria will provide the applicants with the opportunity  
5 to clearly address each scoring criteria. Hence, the  
6 clearer answers given by the applicant will assist grant  
7 application scoring panelists to score applications.  
8 Also, the revision to the scoring criteria will provide  
9 additional information to the Board.

10           Do you have any questions or would like to  
11 discuss any of the three topics?

12           CHAIRPERSON MOULTON-PATTERSON: Mr. Eaton.

13           BOARD MEMBER EATON: Yeah. So this agenda item,  
14 all of these -- I want to discuss the 15-percent issue.  
15 But all you're doing here is just laying out questions  
16 that are in the grant program for that will be included  
17 when we do criteria?

18           MR. IKEMOTO: Yes. The general topics -- the  
19 categories along with the definition should always come  
20 before the Board. The bulleted points, on the other hand,  
21 they could be kept by program, they could be deleted, they  
22 could be modified. And the Board can also and has the  
23 opportunity to have program staff add a bulleted point  
24 under each of the categories, wherever they seem to fit.

25           BOARD MEMBER EATON: So we're not assigning

1 points in those categories yet?

2 MR. IKEMOTO: No, we aren't assigning points.

3 Usually a program staff comes before the Board and has  
4 points assigned. In the far left-hand category, that's  
5 left blank. That's usually where a program staff will  
6 assign the points for that particular category.

7 BOARD MEMBER EATON: And by virtue -- if we were  
8 to act on the green procurement policy, there would be  
9 more points available to assign to these other categories.  
10 Such as if they completed a letter of recommendation, if  
11 program staff wanted to, they could assign an additional  
12 points because there would be more points available in the  
13 total pool; is that correct?

14 MR. IKEMOTO: You mean if they reduced --

15 BOARD MEMBER EATON: Well, lets say, for  
16 instance, that right now that there's 100 points. And if  
17 you had to have 15 percent of those points going to be  
18 concurrent, that would be 15 points. But if you do a  
19 minimum of 10, that's 5 additional points that are  
20 available. So they could then -- they could say, "If you  
21 fill out your paperwork and get me a letter of  
22 recommendation, we're going to assign you 5 more  
23 additional points."

24 MR. IKEMOTO: Yes.

25 BOARD MEMBER EATON: Right. So what I'm trying

1 to get at is the fact that the one idea is that, at least  
2 from my perspective and from my fellow Board members, is  
3 that I believe we have to set a policy as relates to  
4 points. And that the flexibility and some of this other  
5 criteria should promote our policy in our mission and not  
6 just on completing paperwork. And that's the risk that  
7 can take place when you allow more points in other  
8 categories. If you want to take those 5 additional points  
9 and assign them to another category, that's a different  
10 story. That's a policy direction that we as a Board  
11 should give. And then we can have that discussion. But I  
12 think that to just throw up for grabs 5 points without  
13 further direction isn't where I'm going to go. And I  
14 think that if you're going to give up 5 points in a policy  
15 direction such as green procurement, then it ought to go  
16 for something that actually works for a public policy or  
17 part of our mission statement or part of our, you know,  
18 blue print for the future. And that's not here. And this  
19 is the only thing that we're being asked to do in this  
20 item, but it's a very big substantive part, is to get rid  
21 of 5 points and give it to somewhere else.

22 CHAIRPERSON MOULTON-PATTERSON: Thank you, Mr.  
23 Eaton.

24 Mr. Jones.

25 BOARD MEMBER JONES: I agree with Mr. Eaton as

1 far as that we should assign it. You know, to me that  
2 the -- I supported the 15 percent for green procurement  
3 until I started reading grant proposals, which all had  
4 boilerplate, Waste-Board generated, which was fine. I had  
5 no problem with that, by recycle policies. Doesn't mean  
6 that anybody had ever enacted one. It just meant that  
7 they had included it in the package. And the difference  
8 of that 10 to 15 points meant that a proposal that was --  
9 didn't have a whole lot of substance to it, but because  
10 they had included this boilerplate language, got the  
11 benefit of an additional 5 points. And I'll tell you  
12 right now, every proposal that I read had a green  
13 procurement policy document attached to it. So they all  
14 got an automatic of 15 points. It doesn't mean that any  
15 of them followed it. It doesn't mean that any of them  
16 actually did it. It identified what those companies  
17 either procured or what their policies were or stuff like  
18 that; which I think is important. That's why I think it  
19 needs to stay there. But I would agree that that 5 points  
20 shouldn't go to workplan necessarily. But it ought to be  
21 directed towards need.

22 BOARD MEMBER EATON? But then how do we solve  
23 problems, Mr. Jones. Because I think you're on the right  
24 track. But what you're doing is you're saying, "I'm going  
25 to solve this disease by taking away a possible cure."

1 And what we need to do is if you in reading the grants  
2 found that it was just boilerplate -- and I agree with  
3 you, because that's what's happening out there. Then the  
4 issue isn't really -- the points aren't going to make any  
5 difference to your concern.

6 BOARD MEMBER JONES: They do.

7 BOARD MEMBER EATON: No, it'll just go in some  
8 other area. How do you get to the point of enforcing the  
9 green procurement policy.

10 BOARD MEMBER JONES: And I think there's a way to  
11 do that. I think --

12 BOARD MEMBER EATON: But by reducing the points  
13 is irrelevant to that issue.

14 BOARD MEMBER JONES: Well, I think --

15 BOARD MEMBER EATON: Well, how do you by reducing  
16 points get enforcement of the procurement policy?

17 BOARD MEMBER JONES: You make it more  
18 demonstrative. You say, is this an existing policy? How  
19 long has this policy been in place? What are the types of  
20 products and what are the future products that you're  
21 looking at to include in your green procurement policy?  
22 And what is the net benefit to your company to have a  
23 green procurement policy? You ask those questions, and  
24 you get people thinking about procurement. And I think  
25 that's positive. And I think it goes to what you want to

1 go to. I really do. You know --

2 BOARD MEMBER EATON: No, but I'm saying reducing  
3 the points doesn't -- you're attacking the fact, and I  
4 think you're right, that there's no teeth in the green  
5 procurement policy, whether it's at 10 points or 15  
6 points.

7 BOARD MEMBER JONES: That and the fact that a  
8 substandard proposal that filled out need, goals,  
9 objectives, workplan, all those others, could actually be  
10 put into a qualifying score because they've got a  
11 photocopy of the Board's green procurement statement. And  
12 I don't think that's what we want, and I know that's not  
13 what you want.

14 BOARD MEMBER EATON: No. But points don't get  
15 you that enforcement aspect. There's a disconnect there.

16 BOARD MEMBER JONES: Right. And that's why I'm  
17 saying --

18 BOARD MEMBER EATON: And to assign more points or  
19 take away less points, then we're not really getting at  
20 the disease, and the disease is the green procurement. So  
21 what we need to do is say we need more proof. And there's  
22 nothing, nothing in the item with the new bulleted points  
23 in Attachment 3 that deals with green procurement at all  
24 for enforcement, is there?

25 BOARD MEMBER JONES: Well, I think --

1 CHAIRPERSON MOULTON-PATTERSON: We have other  
2 Board members that want to speak too. So when you're  
3 finished -- did you want to answer that question?

4 MR. IKEMOTO: No.

5 BOARD MEMBER EATON: No.

6 BOARD MEMBER JONES: Good answer.

7 BOARD MEMBER EATON: Either way, it's there.

8 BOARD MEMBER JONES: I'll just do this really  
9 briefly, Madam Chair, so that other members can speak.

10 Under need, under goals and objectives and  
11 possibly under workplan, it would make sense to me that if  
12 we -- let's say we're going to assign 20 points. I don't  
13 remember how many points went to need, but it was like 15  
14 or 20, I think, usually.

15 We ought to say that there's a range of points  
16 for that first bullet and a range of points for the second  
17 bullet and third and fourth. So that if the descriptions  
18 don't go to the issue, you give the scorer the ability to  
19 zero it out, rather than just say that somebody has put in  
20 documentation on need. This -- I think it's very  
21 thoughtful. I like the idea of how need is, what's the  
22 need to the company, what's the need to the region,  
23 what -- you know, how are we fulfilling need to move on  
24 our market development? All those things are important.  
25 So if you had 20 points and you said that that first

1 bullet was for 1 to 10 and the next bullet -- and I'm  
2 doing these arbitrarily -- you know, 0 to 5, 0 to 2, 0 to  
3 3, and I can see structuring those first three. And you  
4 could structure green procurement by saying, "Is this an  
5 existing policy? What are the other products you're  
6 buying?" Those types of things where you're assigning  
7 part of those minimum points to that actual thing, so that  
8 it's validating that they have the system. And then leave  
9 the evaluation to budget and the completeness a little  
10 more open where you're not assigning per bullet those  
11 things. Because everybody's got a different way of  
12 describing that, is my experience in these grants.

13 But I think it's critical that we really look at  
14 those first three plus the green procurement and decide at  
15 some point that of the total we're going to add importance  
16 of a 0 through 5, 0 through 10 for each of those bullets.  
17 That's going to make people more aware of how to answer  
18 the questions.

19 So thanks, Madam Chair.

20 CHAIRPERSON MOULTON-PATTERSON: Thank you, Mr.  
21 Jones.

22 Senator Roberti and then Mr. Paparian.

23 BOARD MEMBER ROBERTI: Yes, Madam Chair. First,  
24 I think staff has done an excellent job in making crisp  
25 the various distinctions that we need in order so that the



1 scorer can understand what their chore is. I think that  
2 was missing in the old grant's scoring criteria simply  
3 because things grow up after a period of years like -- and  
4 they just have to review them. So first I want to say  
5 that I think it's excellent. I like the use of the word  
6 "workplan," because while we were scoring these, we were  
7 trying to figure out what "methodology" meant, which was  
8 an odd category. And everybody thought it meant something  
9 different. But having a category "workplan" I think is  
10 excellent.

11           On the specific issue of green procurement, there  
12 are a couple of diseases here.

13           Disease 1 is the fact that we don't have a way of  
14 enforcing green procurement.

15           But Disease 2, which I think for the grant  
16 purposes is even worse than the Disease 1, is the fact  
17 that we asked for boilerplate language in effect, which  
18 means that the person who's going to get the grant is the  
19 person who hires the craftiest consultant, because  
20 consultants are necessary in order to tell people how to  
21 write grants and what boilerplate language to put in when  
22 necessary.

23           And all of us who scored -- or score -- excuse  
24 me -- are susceptible to boilerplate language because  
25 you're looking desperately for language that is going to

1 fulfill the criteria that you've got to score.

2           So instead of looking -- instead of having a  
3 method whereby we score the value of the project, that is  
4 diminished to some extent and boilerplate and the use of  
5 consultants is heightened.

6           So that's Disease Number 2. And I think this  
7 gives to that very, very much.

8           I don't think it's a problem how we're going to  
9 get to take care of Disease Number 1, which I agree with  
10 Member Eaton is serious, but I think asking for pieces of  
11 evidence as part of the green procurement policy would be  
12 helpful. Member Jones has hit on that to some extent.  
13 But why don't we ask, "How long have you had green  
14 procurement in effect? We want receipts. If you've had  
15 it for three years, show us receipts for three years; two  
16 years, then show us receipts for two years."

17           Having a really nice program that was put in  
18 effect when somebody decided they wanted to go up with  
19 grants. And the consultants definitely better have a  
20 green procurement policy isn't really doing much at all.

21           So I think it can be resolved relatively easily  
22 with the use of receipts. And I don't think that will  
23 cause any dramatic change in the compilation of this  
24 scoring criteria. I think 10 points is fine because we  
25 want to encourage green procurement, but from those who

1 try to get grants from the Green Board. And yet the green  
2 procurement is not what the grant itself is all about.  
3 The grant itself is all about whatever the grant's about.  
4 You know, get rid of waste tires.

5           So I like the document very much. I think it can  
6 be tightened up a little bit by some enforcement evidence  
7 on green procurement. And other than that, this I think  
8 is light years of improvement.

9           CHAIRPERSON MOULTON-PATTERSON: Thank you,  
10 Senator.

11           Mr. Paparian.

12           BOARD MEMBER PAPARIAN: Yeah, thank you, Madam  
13 Chair.

14           Several thoughts on this, on the green  
15 procurement issue. I do like the idea of assigning the  
16 essentially sub areas -- points to sub areas of green  
17 procurement, so that it's very clear how many points you  
18 could get for each little area within green procurement.

19           One thing strikes me though; and, that is, that  
20 there are three types of grantees. There's local  
21 agencies, there's State agencies, and there's private  
22 entities. And there's different issues that face each one  
23 of those that we might -- so we might revise the criteria  
24 to address each one of those areas.

25           For example, local governments may be in a

1 position where they can use rubberized asphalt or have  
2 policies related to rubberized asphalt. Obviously a  
3 private entity typically has very little ability to use  
4 rubberized asphalt.

5           Local governments also have some very specific  
6 legal requirements. In Public Contracting Code  
7 Sections -- and this is just some of the sections  
8 affecting local government -- 12168, 12169, 12210, and  
9 12213, provide some very specific direction in terms of  
10 green procurement for local agencies.

11           For example -- and I'm excerpting -- it's Section  
12 12210: Fitness and quality being equal, all local  
13 agencies shall purchase recycled products instead of  
14 nonrecycled products whenever available at no more than  
15 the total cost of nonrecycled products.

16           I think that we can go beyond just asking whether  
17 they have a green procurement policy, but we can ask very  
18 specifically how local governments are implementing that  
19 section of the law. It says very specifically they shall  
20 purchase nonrecycled products when the -- shall purchase  
21 recycled products when they're available at no more cost  
22 than nonrecycled products. How are they implementing  
23 that? How are they implementing some of the other  
24 sections? Some other sections related to when they  
25 contract out. SOME other sections specifically related to

1 recycled content paper products. But all of them are part  
2 of the law, and I think that we ought to have the right to  
3 look at that in scoring the applications.

4 Similarly, with State agencies, we have SABRAC  
5 and AB 75 requirements on State agencies. If a State  
6 agency comes to us and requests for a grant, I think we  
7 ought to have an ability to score this section based on  
8 how well they've implemented those requirements.

9 In any event, I wonder if -- I don't want to put  
10 her on the spot really, but I wonder if Patty Wohl, who's  
11 done a lot of stuff in the green procurement area in her  
12 division, whether she might have thoughts about how we  
13 might approach scoring in this area and how we might divvy  
14 up the points, whether it's 10 or 15. My preference  
15 obviously would be for 15.

16 DEPUTY DIRECTOR WOHL: Good afternoon. Patty  
17 Wohl from the Waste Prevention and Market Development  
18 Division.

19 Obviously we have talked a lot about this amongst  
20 my staff and with the other program areas.

21 The Markets Division is still supportive of 15  
22 percent or 15 points. I believe I did have a chance to  
23 look at what was used for the tire commercialization  
24 versus what is currently being used I think by the  
25 majority of the programs. And it is a little bit more

1 specific. It does have a breakdown of those 15 points.  
2 The first one though is: Do you have a policy in place.  
3 And when was it adopted? And it is a "yes" or "no" for 5  
4 points.

5           My recommendation would be that maybe you want  
6 some clarity there, which is, "was it adopted just for the  
7 purposes of this grant?" And then maybe you only get one  
8 point for that. "Have you had it in place for one to five  
9 years?" Maybe you get the full points for that. If it's  
10 ten years old and you haven't reviewed it, maybe there's  
11 some variation there. So to help the scorers get a little  
12 more specificity within that.

13           The other issue was, the next 5 points that we  
14 have is evidence of purchasing recycled content products.  
15 And we have a list of maybe about 20 or 30 there, and that  
16 you're supposed to actually mark which ones you purchased.  
17 Now, you could go further and say you want evidence of  
18 that. Or maybe that's part of the audit process. If we  
19 come back and find out you said you purchased this and you  
20 never did, then maybe that's where we would catch them.  
21 And we would just say maybe you'd have a scoring criteria  
22 within that to say have you purchased, you know, 3 out of  
23 the 5 of these or 3 out of the 10 of these, then you get  
24 this many points.

25           So I think we could gain some clarity within

1 that. I would hate to see us drop away from the 15  
2 percent. I think it's our big leveraging, you know,  
3 option with these grants. And beyond this I -- you know,  
4 our feeling is if they put a policy in place, maybe  
5 they're spending all their purchases with this new policy,  
6 not just the money we're giving them. So that's kind of  
7 the hope with that.

8 We have a section called the Policy Evaluation --  
9 how's this working, what's working, what's not working?  
10 But I think maybe Steve's comment is even better there,  
11 you know, that sort of shows, "What have you been doing in  
12 this area?" Maybe more specificity there too. So we  
13 could really figure out that they're using it and gain  
14 some information.

15 So I think we have a form that works. I think  
16 you could direct us to spend a little more time and shore  
17 up some of those points, the gradation within those  
18 points, if you'd like that clearer. And we'd be happy to  
19 do that.

20 And, you know, like I said, we'd prefer to keep  
21 it at 15 percent.

22 BOARD MEMBER ROBERTI: Madam Chair.

23 CHAIRPERSON MOULTON-PATTERSON: Senator.

24 BOARD MEMBER ROBERTI: In my own mind I'd make a  
25 distinction between -- I sort of like the 10 percent,

1 which is a change. However, I do in my mind make a  
2 distinction between public and private entities. I would  
3 hate to see a private entity go down because they had a  
4 real economic problem as to why they couldn't purchase  
5 green; availability being one. And that they go down for  
6 the 5 percent. Whereas, a government entity which for the  
7 most part doesn't have the bottom-line concern and in the  
8 whole business of buying green has to be the catalyst of  
9 getting everybody else to move in the right direction, I'd  
10 be more susceptible to going along with the 15, in those  
11 things that are exclusively government grants.

12           Why I basically favor the 10, which is a change  
13 of position for me, is my feeling -- I could be wrong --  
14 having engaged in scoring once, that it totally -- no,  
15 totally is too strong -- it skews the scoring not toward  
16 the subject matter of the grant itself, but to something  
17 which is important but ancillary, especially when you see  
18 that happen because the person was able -- had the right  
19 consultant to put in the right boilerplate language, which  
20 I know we're trying to get away from. But that just  
21 became very, very depressing to see, you know, 15 points,  
22 and I had to give them 15 points -- which is a huge amount  
23 of points in a grant -- because, you know, they hired --  
24 they were smart enough to hire the right person. And God  
25 knows how much of the grant went to the consultant.



1           So whatever.

2           CHAIRPERSON MOULTON-PATTERSON: Mr. Jones.

3           BOARD MEMBER JONES: Thanks, Madam Chair. Just  
4 something to follow up on what the Senator just said and  
5 what Mr. Eaton just said.

6           You know, we're looking at this grant criteria  
7 for all the grants. We've got -- you know, on the tire  
8 commercialization these people are going in to  
9 commercialization mode to actually recycle more material.  
10 So I think there's got to be a level of comfort and  
11 understanding that our commercialization of this is going  
12 to actually increase recycling statewide.

13           But I do -- something the Senator said sort of  
14 rang a bell. There's nothing that would preclude us  
15 because of the oil grants, those types of grants where all  
16 of the grant proposals are going to be pretty similar,  
17 there would be nothing that would preclude us from saying  
18 that on those types of grants the green procurement policy  
19 is worth 15 points.

20           And on the tire commercialization grants where  
21 we're going after the substance more than anything else,  
22 that under those grant scenarios, that if the members so  
23 chose, they would be worth 10 percent. Because, remember,  
24 the commercializing is something that's actually going to  
25 increase recycling throughout the State. But it does put

1 the burden then on local government, State government,  
2 whoever that's coming for our grant dollars, where we've  
3 got huge pools of money that go out -- or some pools of  
4 money that go out, where those triggers like how are they  
5 doing on the SABRAC and things like that, "what's your  
6 report card on how are you really as an agency working?"  
7 then it's going to make a difference, that 15 percent,  
8 it's going to make a difference as to whether or not an  
9 agency gets a grant or doesn't get a grant. It could.

10           Where they're all going for the same thing, that  
11 makes sense to me. And I think -- because it's going to  
12 have more of a hammer. But when we're talking about tire  
13 commercialization or those kinds of grants that are going  
14 to facilitate more recycling, that 10 percent is going to  
15 make them accountable to have the procurement policy. But  
16 it won't take a flawed proposal or a minimal proposal and  
17 move it into a hire echelon that just because of adding  
18 the numbers up, now they need to be considered, where  
19 content goes out the door over a photostatic copy of a  
20 procurement policy.

21           So it's one that we may be able to accommodate  
22 both points of view where we get the biggest impact for  
23 the buck, because the State agencies and local governments  
24 clearly would have to prove and would get 15 points for  
25 that grant procurement. So it's just an offer.

1           DEPUTY DIRECTOR JORDAN:  If I might clarify.

2   Terry Jordan, for the record.

3           You currently have that flexibility in the way  
4   the current policy reads, which is that the evidence of  
5   recycled content will be 15 percent.  But it also mentions  
6   that the program can bring forward the reasons why it  
7   doesn't work for that particular area and why it should be  
8   less.

9           BOARD MEMBER JONES:  But --

10          CHAIRPERSON MOULTON-PATTERSON:  Mr. Medina.

11          BOARD MEMBER MEDINA:  Yes, Madam Chair.  I had a  
12   question, also a statement.

13          Basically my question had to do with page 55-3 in  
14   regard to the language of Number 4 with the language of  
15   number 5.  How do you reconcile that?  Number 4 says a  
16   number between zero to maximum points as possible, and  
17   Number 5 says that a minimum of 10 percent will be  
18   assigned.  And which is it.

19          And then just based on what some of the previous  
20   speakers said, I also favor the 10 percent over the 15  
21   percent.

22          CHAIRPERSON MOULTON-PATTERSON:  Thank you.

23          MR. IKEMOTO:  Okay.  The maximum -- zero to  
24   maximum points, that's just -- what staff's recommending  
25   is a standardized method that if a category has 15 --

1 let's say, 15 points are assigned to that category.  
2 Currently some programs, whether you answer the question  
3 or not, you'll get an automatic 5 points for turning in a  
4 blank sheet of paper. What this is saying is we'd like  
5 you to be able to -- the scorer of that particular  
6 application to give it a zero score for a zero answer.

7           And also going on the other direction, is if --  
8 there's been some programs that even if it's 15 points,  
9 you either get zero points or you get 15 points. There  
10 was some discussion that we'd like to give partial credit.  
11 Maybe they don't hit and shouldn't get all 15 points, but  
12 they shouldn't get zero either.

13           So what Number 4 is basically saying is for all  
14 scoring criteria, a person sitting a scoring panel will  
15 have the option of giving it a score of zero, to any point  
16 in between, up to the maximum points allowed for that  
17 category. If they hit everything, they get the full 15.  
18 If they get partial, maybe they get 7. If they don't --  
19 If they submit an application with nothing, they'll get a  
20 zero points.

21           Like I said, some programs if you submit an  
22 application with nothing written on it, you'll get a  
23 minimum score of 5 points, and we don't think that's --

24           CHAIRPERSON MOULTON-PATTERSON: Thank you for  
25 that explanation.

1 Mr. Eaton and then Mr. Paparian.

2 BOARD MEMBER EATON: I just noticed my second  
3 point, I never got to.

4 So in the Resolution 2002-347 where it says the  
5 Board approves of gradation of scale of points may be used  
6 to score grant applications, in each one of these  
7 categories, need, goals, objectives, work plans, whatever,  
8 there will now be a range that the scorer can give; it's  
9 not an all or nothing proposition?

10 MR. IKEMOTO: Right.

11 BOARD MEMBER EATON: As it was previously?

12 MR. IKEMOTO: Yes. Yeah, some programs might  
13 have had something like that. But, yeah, it'll be like if  
14 you had 20 points for a category, you could score anywhere  
15 from 0 to 20.

16 BOARD MEMBER EATON: I just want to make sure  
17 that the scorer now has the complete discretion to go from  
18 zero to whatever the maximum amount of points is?

19 MR. IKEMOTO: Yes.

20 BOARD MEMBER EATON: And it's not an all or  
21 nothing?

22 MR. IKEMOTO: No.

23 BOARD MEMBER EATON: If you submit a letter of  
24 recommendation, you don't get 10 points automatically,  
25 where in some cases you used to?

1 MR. IKEMOTO: Yeah.

2 BOARD MEMBER EATON: Let me ask -- I'm not trying  
3 to be critical. I'm just trying to find out that Mr.  
4 Jones' gradation scale that he was talking about is now in  
5 place for all categories.

6 MR. IKEMOTO: Yes, for all categories you can get  
7 any from anywhere from zero to a maximum points in that  
8 category.

9 BOARD MEMBER EATON: And this is general  
10 criteria, is it not, counsel, for all programs?

11 CHIEF COUNSEL TOBIAS: Right.

12 BOARD MEMBER EATON: It cannot be changed  
13 subsequently, can it? So, for instance, let's say we go  
14 through a series of two or three grants. What we have  
15 always been told is that you'll have to wait till next  
16 year till the overall general criteria comes up to be able  
17 to change it. So I just want to comport that, that if you  
18 change any of those categories, from 10 -- from 15 to 10  
19 or whatever, we aren't going to have really the  
20 opportunity to change that general criteria even though  
21 program staff always have had the ability to do so; isn't  
22 that correct.

23 You have always stated from the Legal Department  
24 we have never been able to change criteria. Mr. Paparian,  
25 you remember it. You asked that question a while back.

1           So what I just want to say is that, what can be  
2 changed subsequent to what we do here today, whether it be  
3 in the green procurement policy or any of the other areas?  
4 Once we adopt it, does the general criteria stay for the  
5 entire year for all the grants?

6           CHIEF COUNSEL TOBIAS: Well, that's true unless  
7 it's brought back to the Board and the Board changes it.  
8 But once the Board sets that as the criteria for that  
9 year, that's right.

10          BOARD MEMBER EATON: But if program staff then  
11 three months from now brings a grant program together, we  
12 can't change the general criteria at that stage, right?

13          CHIEF COUNSEL TOBIAS: Right.

14          BOARD MEMBER EATON: Right.

15          CHAIRPERSON MOULTON-PATTERSON. Mr. Paparian and  
16 then --

17          BOARD MEMBER PAPARIAN: What I think -- let me go  
18 back to just the recycled, with the 15 points for the  
19 grant procurement stuff versus 10 points. What I think I  
20 was hearing from Mr. Jones, and I think I got a sense from  
21 some of the other Board members, was that 15 points for  
22 government entities -- for grants geared towards  
23 government entities was okay. People were comfortable  
24 with that, with 15 for government entities. But that for  
25 things that are geared primarily towards private entities

1 for product commercialization or similar activities, that  
2 some Board members were suggesting 10 points for that.  
3 And I see Mr. Jones nodding his head.

4 Then in terms of the criteria -- Ms. Wohl laid  
5 out some possible criteria where you could provide some  
6 guidance for the scoring between 0 and 10 or 0 and 15.  
7 And I suggested some as well for the government entities'  
8 compliance with SABRAC and AB 75 and compliance with some  
9 of the local government requirements on top of green  
10 procurement policy.

11 So I think that's the direction that we're  
12 heading in in this area. And I would certainly vote for  
13 that if that's the direction we go in.

14 CHAIRPERSON MOULTON-PATTERSON: Okay. Mr. Jones.

15 BOARD MEMBER JONES: Just real quickly, I just  
16 want to follow up on Mr. Eaton's comment.

17 This is a general grant criteria, that staff is  
18 going to have a direction to develop scopes of work and  
19 scoring, on to us for individual approvals prior to  
20 notice.

21 If there is an issue with something, right -- I  
22 mean if one of these criteria doesn't fit or something --  
23 I don't know what it could be -- staff would identify  
24 where it is a variation from the approved policy for a  
25 general criteria and bring that as part of the -- as part



1 of the item. So that -- because, believe me, Mr. Eaton  
2 and I were very frustrated, maybe other members. But  
3 there was a time when we tried to change some stuff, and  
4 we were told by counsel that we lost our opportunity, that  
5 the only time we could have changed it is when we were  
6 doing actually these kinds of actions. So we were both  
7 sensitive, and I think others have experienced the same  
8 thing and our sensitive to that.

9           So my understanding is, this is our general  
10 criteria. This is what staff is going to go off of. If  
11 there is a specific issue that may not pertain or  
12 something, staff would identify that in a presentation and  
13 show us and explain why it is a variation of this. Is  
14 that --

15           CHIEF COUNSEL TOBIAS: Well, they could do that.  
16 But I think what we're trying to say is that once the  
17 Board adopts general criteria, that they should follow  
18 that. You have specific criteria that could be adjusted  
19 in a program, you know, for something specific. But we're  
20 trying to basically have all of the programs treated the  
21 same so that it wouldn't necessarily come back.

22           BOARD MEMBER EATON: That doesn't get to the  
23 point. She's saying that when it comes out, it's all the  
24 same points. You cannot change it.

25           CHAIRPERSON MOULTON-PATTERSON:

1           BOARD MEMBER JONES: No. The points have changed  
2 per category, depending on the program.

3           BOARD MEMBER EATON: No, on general criteria --  
4 general criteria is 15 points -- if you have 15 points,  
5 can it be changed down to 10?

6           MR. IKEMOTO: Yes.

7           BOARD MEMBER EATON: When? She just told me no.

8           MR. IKEMOTO: During the scoring criteria,  
9 program staff comes -- well, when they do the scoring  
10 criteria and evaluation process, they'll come before the  
11 Board with a form that looks similar to this and they'll  
12 have points assigned. Each program, depending -- other  
13 than the green procurement, which the Board has set at 15  
14 percent up through today -- those other 6 categories  
15 program staff could assign any range of points they want  
16 to. The green procurement currently, if it's 100 points  
17 available for the entire to determine eligibility, they'll  
18 have to put 15 points in green procurement. The other 85  
19 points can be split up any which way program staff feels  
20 where the need might be with the other 85 points. I mean  
21 they can go ahead with program criteria and light on  
22 general, or they could go heavy on general and light on  
23 program specific, or they can go heavy on specific  
24 category and lighter in the general category.

25           So during the scoring and evaluation, when the

1 people -- program staff comes before the Board for that  
2 piece, that's when you, the Board, can say, "You know, I  
3 think this particular grant need is more important than  
4 the workplan. So, you know, you currently have 10 points  
5 in need and 30 points in workplan. I want you to put 10  
6 points in workplan and 30 points for need." So you can  
7 kind of customize the importance according to the  
8 different program needs that you feel or the areas that  
9 you think more points or less points should be targeted.

10 CHAIRPERSON MOULTON-PATTERSON: Mr. Eaton.

11 BOARD MEMBER EATON: But we haven't been able to  
12 change the general criteria.

13 CHIEF COUNSEL TOBIAS: You can't change the  
14 criteria themselves. What Mr. Ikemoto is basically saying  
15 is that you can adjust the points in that --

16 BOARD MEMBER EATON: Some may have 110. Some may  
17 have 85.

18 CHIEF COUNSEL TOBIAS: Right, right.

19 But you can't change the basic criteria that the  
20 Board is adopting right now. So you have some flexibility  
21 and some rigidity to this to deal with.

22 BOARD MEMBER EATON: So to be perfectly clear,  
23 because I'm willing -- as long as there's flexibility and  
24 the ability to make the argument that -- and this is the  
25 first time I've heard it, and I've been on the Board five

1 years. But we've been able to change the points within a  
2 certain category. Because if I want to argue that letters  
3 of support should only get a maximum of 2 points in  
4 budget, for instance, in how you approach it, and what you  
5 do with the money can get 15, is that a possibility even  
6 though program staff only recommends 10?

7 CHIEF COUNSEL TOBIAS: Right. And the Board  
8 always needs to see what is meant.

9 BOARD MEMBER EATON? I know we need to see it.  
10 But I want to know if we have the ability to change it,  
11 because that's the critical component. Because it's  
12 critical for all along because -- the fact that you can  
13 fill out, you know, a particular, you know, document well  
14 and get maximum points, I mean I'm all for the fact of  
15 gradation. But as long as we can change it and that none  
16 of these points are set, then we really don't need to  
17 basically change anything within the green procurement  
18 policy at all.

19 MR. IKEMOTO: One point. There is --

20 BOARD MEMBER EATON: Instead of being a minimum,  
21 we can go up to a maximum of 15 percent for green  
22 procurement, and that solves your problem.

23 MR. IKEMOTO: We're going to state something like  
24 one gets point 5 about that. But, you know, during the  
25 scoring and evaluation portion and -- you're basically

1 telling program at the very beginning stages before any  
2 applications have been scored that these are how you want  
3 the points to be distributed. At that point you can go  
4 ahead and change wherever you feel, you know, the points  
5 need to go. But then once the Board at the scoring and  
6 evaluation has approved that scoring and evaluation -- or  
7 the scoring criteria, the applications have been scored  
8 and what not, I think what I've heard in past Board  
9 meetings is when the award recommendation comes before the  
10 Board, at that point someone says, "I'd like to change the  
11 scoring criteria because I think we weighed this category  
12 more heavier than we should have."

13 And I think at that point is where the Board's  
14 locked in to those points.

15 So if you -- during the scoring criteria and  
16 evaluation piece, when that comes before the Board, you  
17 guys can go ahead and you guys can reassign points and  
18 distribute them how you are. Once you buy off and  
19 approved that, then you -- when the award comes before the  
20 Board, you can't at that point change the points assigned  
21 to a specific category. You're kind of locked in.

22 CHIEF COUNSEL TOBIAS: I will also say that if  
23 the Board adopted a policy of, say, 15 percent or 10  
24 percent on the green procurement at this time, then that  
25 point spread would not change over that year.

1           So if you within a certain criteria said, "Well,  
2 we always want," you know, X number of points or X  
3 percentage on that particular criteria, then that would be  
4 approved across the Board. So you have two ways of doing  
5 that.

6           Last year what happened is, as I understand this,  
7 is that we had recommendation of using the -- was it 15  
8 percent or 15 points -- 15 percent on green procurement.  
9 So that traveled across with all the programs, and that  
10 was not changed when the criteria came back to you.

11           So if you want to do that, that's certainly the  
12 Board's prerogative to do that.

13           The other --

14           BOARD MEMBER ROBERTI: I don't quite understand.

15           You mean if we adopted, say, a 15-percent or a  
16 10-points or 15-point green criteria today, then that --  
17 we are stuck with that number until we have a formal  
18 change or reconsideration on every grant item that comes  
19 up?

20           CHIEF COUNSEL TOBIAS: If it's in your general  
21 criteria, the way you said it. What you're doing -- what  
22 is in the recommendation now is that you have the point  
23 spread, which you could do from 0 to 15. All I'm saying  
24 is that if you --

25           BOARD MEMBER ROBERTI: On each application as it

1 comes up.

2 CHIEF COUNSEL TOBIAS: Right, on each grant.

3 BOARD MEMBER ROBERTI: But do we still have the  
4 option, say, if tire commercializations or playground mats  
5 comes up, as we vote on the -- what do we call it -- the  
6 scoring criteria, could someone then make a motion, "Well,  
7 on this one I want completeness only to be 5 but on this  
8 one I want the green criteria only to be a 10 if it's 15."

9 So we're not talking about each application, the  
10 range you get on each application; we're talking about the  
11 number of points available.

12 I was always under the impression that based on  
13 our past criteria that these categories were fixed except  
14 when we come up with the scoring criteria. We can at that  
15 point say that "I don't want" -- assume we have 15 percent  
16 on green procurement. We could then vote, on this one we  
17 want it to be 10 percent -- 10 points rather.

18 CHIEF COUNSEL TOBIAS: It depends on how you do  
19 it. You could do it either -- you could either -- you  
20 have all the criteria. Those are set. I'm hearing that  
21 the Board likes the flexibility of being able to change  
22 those points within --

23 BOARD MEMBER ROBERTI: To flexibility.

24 CHIEF COUNSEL TOBIAS: And so one way to deal  
25 with that would be to say, and on the criterion of green

1 procurement the Board is saying that that would not be  
2 flexed during the year, but it would always be 10 percent  
3 for any grant.

4 Now, if you want -- another way to do it is to  
5 either do it by individual grants, to accept grants, say,  
6 well, for tire commercialization grants we want to change  
7 that. Or you could say for the private entities on any  
8 grant that comes in, that you might want to do.

9 Does that make sense?

10 BOARD MEMBER ROBERTI: Yeah. Well, I understand  
11 what you're saying.

12 What I would like when we vote finally on this, I  
13 would like to have the Board be able to vote on a motion  
14 which would allow us to do two things: Number 1, give us  
15 flexibility on the maximum points on each grant, on each  
16 aspect of the scoring criteria. For example, on green  
17 procurement whether we want to make it 10, 5, 15, the  
18 maximum.

19 And then Number 2, that on each application the  
20 scorers have flexibility of giving everything from zero to  
21 the maximum amount available.

22 So there are two kinds of flexibility, one for  
23 the Board when the scoring criteria is voted on; and,  
24 second, for the scorers when they vote on each  
25 application.



1           Could we do that?

2           CHAIRPERSON MOULTON-PATTERSON:   Mr. Jones.

3           Go ahead.

4           CHIEF COUNSEL TOBIAS:   I think that's what's  
5 anticipated.

6           BOARD MEMBER ROBERTI:   Okay.

7           CHAIRPERSON MOULTON-PATTERSON:   Mr. Jones.

8           BOARD MEMBER JONES:   I want to try to sum this  
9 up, I hope, and make a motion.   But I do want to  
10 clarify -- or I just want to ask a question, see if I can  
11 get consensus.

12           Something that Mr. Paparian said kind of followed  
13 what I was saying, that if we set a general policy that  
14 all of our grants going out to public entities, State or  
15 local, that we would say that it would be a 15-percent  
16 green procurement policy, okay, and that those that are  
17 going to commercialization or the R&D or applied  
18 technologies or whatever names we're coming up with at  
19 this time would have 10 percent, that would be the general  
20 criteria that everybody would follow.

21           Now, does that mean that if somebody wanted to  
22 come forward and drop that -- let's say they had a local  
23 government grant that was going out, and they didn't want  
24 it to be 15, they wanted it to 10.   They would be  
25 precluded from doing that, right?

1 CHIEF COUNSEL TOBIAS: Yes.

2 BOARD MEMBER JONES: Okay. So we're locking in  
3 15 percent for local government and State government grant  
4 applications.

5 BOARD MEMBER ROBERTI: Do I take it, on those  
6 applications where they are competing against each other?

7 BOARD MEMBER JONES: Right.

8 BOARD MEMBER ROBERTI: I think -- I don't think  
9 you're talking about where you have applications open  
10 though from both the private and --

11 BOARD MEMBER JONES: No, no. They're specific to  
12 public --

13 BOARD MEMBER ROBERTI: Public only?

14 BOARD MEMBER JONES: Yes, yes.

15 BOARD MEMBER ROBERTI: Okay.

16 BOARD MEMBER JONES: So I'm going to move. Okay?

17 BOARD MEMBER EATON: Could I make a comment?

18 BOARD MEMBER EATON: Sure.

19 BOARD MEMBER EATON: Why distinguish -- if your  
20 goal is to do that and to provide flexibility into  
21 individual factors, why segregate public and private?  
22 Because there may be instances where the private needs --  
23 you get a credit for having a green procurement policy.  
24 The better way to do this in more general terms is that  
25 there will be a floor or a minimum of 10 for green

1 procurement and a maximum of 15 depending upon the type of  
2 grant and the program that is being implemented. Because  
3 there may be instances where you want to have the private  
4 sector promote a green procurement policy. And there  
5 maybe some situations where you don't want a public  
6 entity, which is already governed by the statutory scheme  
7 from getting an extra 15 -- extra 5 points by virtue of  
8 the statute.

9 BOARD MEMBER JONES: It's a question to me. My  
10 issue is every grant we give out to the privates is to  
11 promote recycling. Every grant we give to local  
12 government basically is to either clean something up or  
13 provide dollars so that a community can dispose of illegal  
14 or hazardous waste or things like that.

15 That's basically what our grants come down to.  
16 One is the promotion of recycling; the other is the  
17 collection of material. So I want local governments to be  
18 disqualified when 600 of them are going for 300 grants. I  
19 want them to be disqualified because they didn't get 15  
20 points. But I don't necessarily think it's in our best  
21 interests to take a substandard proposal on a  
22 tire-commercialization grant and give them an automatic 15  
23 points, which might take them from 67 points to 73 and all  
24 of sudden be -- or all of a sudden be considered as a  
25 viable product for our funding. I think that's a

1   disservice.   So --

2               BOARD MEMBER EATON:   But you're not doing that  
3   with the gradation.

4               BOARD MEMBER JONES:   You are doing it -- well,  
5   no.   You are when you're -- because the only one that's  
6   not gradated is the green procurement.

7               BOARD MEMBER EATON:   But you're now gradating  
8   with that.

9               BOARD MEMBER JONES:   No.   We're gradating  
10  everything but green procurement.   And what I had  
11  suggested was there should be some gradation in green  
12  procurement.   And --

13              BOARD MEMBER EATON:   Well, I find it very  
14  difficult to accept the fact that somehow the private  
15  business sector or any sector other than a public or local  
16  government -- it's very typical to beat-up on government  
17  by other government entities.   But when it comes to the  
18  private sector, somehow they get a break.   And it's really  
19  those individuals who are a mass consumer of goods and  
20  services that need to start getting the right culture.  
21  And I think that's the points.   And if you build in  
22  flexibility and willing to go along and do a minimum of 10  
23  and a maximum of 15 based upon the grant, you both -- you  
24  get that flexibility, but it's going to be based upon the  
25  individual grant that comes before us.   And we'll take a

1 look at it and we we'll make the argument.

2 BOARD MEMBER JONES: That's fine. We'll do that.

3 But you missed my point is the bad point. You missed the  
4 point. So --

5 BOARD MEMBER EATON: Well, it won't be the first  
6 time.

7 CHAIRPERSON MOULTON-PATTERSON: We can take our  
8 lunch break now.

9 BOARD MEMBER JONES: I'll make a motion.

10 CHAIRPERSON MOULTON-PATTERSON: Or if you have a  
11 motion, okay.

12 BOARD MEMBER PAPARIAN: Sorry. Can I ask another  
13 question?

14 CHAIRPERSON MOULTON-PATTERSON: Okay. Go ahead,  
15 Mike.

16 BOARD MEMBER PAPARIAN: The idea that we can come  
17 back and provide some guidance in the green procurement  
18 area and say, for example, here's five categories and you  
19 might get, you know, 3 points for each of these  
20 categories -- up to 3 points for each of these  
21 subcategories, we're not precluded from coming back later  
22 and providing that -- we don't have to specify that  
23 guidance today, do we?

24 CHIEF COUNSEL TOBIAS: Well, as Mr. Leary and I  
25 were just discussing though, the Board can do anything

1 that the Board wants to do. What we're trying to do is  
2 get some consistency. So it would need to come back in a  
3 Board item. But if the Board later wanted to do that, you  
4 could certainly do that.

5           The only problem you would have is that for those  
6 grants which you're in the middle of their process, from a  
7 legal standpoint I would like to see them only be governed  
8 by what's already in place when that grant program starts.  
9 So certainly you could come back in at another time and  
10 say, "We'd like to change this." But then it would be --  
11 it would be effective on grant programs from that time on.

12           BOARD MEMBER PAPARIAN: Let me ask it a different  
13 way.

14           On page 55-34, there's the evidence of a recycled  
15 content purchasing policy or directive, and then there's a  
16 sentence that describes that. By the action today, unless  
17 we take a further action, are we locked into that  
18 description, that sentence in there?

19           CHIEF COUNSEL TOBIAS: If the Board wants to  
20 provide direction today to staff and it's specific enough  
21 to fix that, then you could certainly do that. If not and  
22 if you're adopting the rest of it, you'd be adopting  
23 everything else; and then you could come back at another  
24 date to have that changed. However, any grant program  
25 that starts, say, for instance, next Monday would be under

1 this old language unless you change it today.

2 CHAIRPERSON MOULTON-PATTERSON: Okay. I really  
3 am going to call a lunch break now. And maybe we can work  
4 some of these things out, because some of us have  
5 appointments.

6 We'll come back at 2 o'clock.

7 (Thereupon the lunch break was taken.)

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## 1 AFTERNOON SESSION

2 BOARD MEMBER JONES: All right. We're going to  
3 call this meeting back to order.

4 Any ex partes, Mr. Eaton?

5 BOARD MEMBER EATON: Just a quick hello from  
6 George Larson and Randy Roth on my way out.

7 BOARD MEMBER JONES: Mr. Medina.

8 BOARD MEMBER MEDINA: No.

9 BOARD MEMBER JONES: And Mr. Paparian.

10 BOARD MEMBER PAPARIAN: Just a quick hello to  
11 Mike Blumenthal.

12 BOARD MEMBER JONES: Senator Roberti.

13 BOARD MEMBER ROBERTI: Mr. Larson and Mr. Roth as  
14 well on just proceedings in general, as we were leaving.

15 BOARD MEMBER JONES: And I spoke -- I said hi to  
16 Mr. Roth and Mr. Larson. I spoke with Mr. Blumenthal  
17 about an upcoming agenda item that's going to come in  
18 front of Special Waste, where he is bringing five  
19 professionals. And I would invite all the other members.  
20 I'll give you notification prior to the Special Waste  
21 Committee meeting in August, that we're going to have some  
22 tire folks from the manufacturers make an address on some  
23 items.

24 BOARD MEMBER MEDINA: I have one more.

25 That was Mr. Jim Nava, just a quick hello at



1 lunch.

2 BOARD MEMBER JONES: Great.

3 Chairwoman Moulton-Patterson got taken a little  
4 further away than she thought. And she called Mr. Leary  
5 and asked us if we could -- tell us to go ahead and start.  
6 She'll be with us pretty quickly. She's kind of stuck in  
7 traffic.

8 So we're going to finish up with Agenda Item 55.

9 Do you have anything you want to summarize  
10 quickly? I think we're pretty close to --

11 MR. IKEMOTO: I think we're okay.

12 CHAIRPERSON MOULTON-PATTERSON: We're Okay?

13 Okay. I'm going to move adoption of Resolution  
14 2002-347, that will enable the scoring staff to range from  
15 zero to whatever the assigned numbers are on any of the  
16 items, except green procurement. Green procurement will  
17 be a minimum of 10 percent. Fifteen would be what we'd  
18 like to see. Come back at each scoring, when we do the  
19 scope of work, to tell us why that won't be at 15, why it  
20 is going to be at some number less than that, not to be  
21 below 10 percent.

22 BOARD MEMBER ROBERTI: It's all right with me.

23 Well, okay. I sort of would like to see it at 10. I'd  
24 sort of like to see the presumption at 10 rather than 15.  
25 That's my own -- one person's vote. But if the other

1 members feel the other way around. I'm not going to --

2 BOARD MEMBER JONES: Okay. I think --

3 BOARD MEMBER ROBERTI: And then they come back  
4 and show why it ought to be up to 15.

5 BOARD MEMBER JONES: Okay. Well, I can  
6 appreciate that. If this one fails, mine will be 15 down  
7 to 10, and -- but if it fails, it fails. And I -- and  
8 that the committee -- or that the scoring could go to 4 to  
9 3, and I think that's it, right? You have the range,  
10 you've got the people, you've got the procurement. I  
11 think that was all of the items.

12 That's my motion.

13 BOARD MEMBER EATON: Second.

14 BOARD MEMBER JONES: We have a motion by Jones, a  
15 second by Eaton, to --

16 BOARD MEMBER PAPARIAN: Can I clarify, Mr. Jones?

17 BOARD MEMBER JONES: Absolutely, Mr. Paparian.

18 BOARD MEMBER PAPARIAN: We had the discussion  
19 before lunch about, you know, providing some criteria  
20 within the green procurement area. And I just want to  
21 confirm with staff that they feel that they have the  
22 flexibility to provide that criteria as each one comes up.

23 BOARD MEMBER JONES: I'll amend my motion just to  
24 make sure they do, that as the discussions with the Board  
25 members indicated, people with existing green procurement

1 policies would get -- and approve that they are in fact  
2 dealing with green procurement would get more points than  
3 those that just adopted a policy or can't substantiate the  
4 benefits of that policy or the accomplishments of that  
5 policy. Is that --

6 BOARD MEMBER PAPARIAN: Yeah, and I think there  
7 were -- I mean there were some other things we talked  
8 about, for example, the local governments adhering to some  
9 of the existing statutes or demonstrating how they're  
10 adhering to it. Same as the State agencies adhering to  
11 statutes affecting them.

12 BOARD MEMBER JONES: And that evidence be in the  
13 form of how they are performing --

14 BOARD MEMBER PAPARIAN: Right. And I think Patty  
15 Wohl also provided some examples of how the scoring might  
16 work.

17 BOARD MEMBER JONES: Okay. Is that clear?

18 DEPUTY DIRECTOR JORDAN: Yes, that's clear.

19 BOARD MEMBER JONES: Okay. Mr. Eaton, are you  
20 okay with that?

21 BOARD MEMBER EATON: Yeah.

22 BOARD MEMBER JONES: Okay. We've got a motion.  
23 And we don't have anybody to call the roll.

24 EXECUTIVE DIRECTOR LEARY: I'll take the roll  
25 call. Other duties as required.

1 Board Member Eaton?

2 BOARD MEMBER EATON: You do get extra pay for  
3 this, right?

4 EXECUTIVE DIRECTOR LEARY: No.

5 BOARD MEMBER EATON: Aye.

6 EXECUTIVE DIRECTOR LEARY: This is actually a  
7 promotion for me.

8 Jones?

9 BOARD MEMBER JONES: Aye.

10 EXECUTIVE DIRECTOR LEARY: Mr. Medina?

11 BOARD MEMBER MEDINA: Aye.

12 EXECUTIVE DIRECTOR LEARY: Mr. Paparian?

13 BOARD MEMBER PAPARIAN: Aye.

14 EXECUTIVE DIRECTOR LEARY: Senator Roberti?

15 BOARD MEMBER ROBERTI: Well, it's got four  
16 already, so I'll vote aye.

17 EXECUTIVE DIRECTOR LEARY: I'll leave the roll  
18 open until --

19 BOARD MEMBER JONES: -- until Chairwoman  
20 Patterson comes back.

21 Okay. Item Number 56.

22 Item number 56, special waste.

23 Quick report from the Committee Chair on special  
24 waste.

25 We had a really good meeting, did a lot of

1 things. Unfortunately, eight of them didn't get put on  
2 consent. They're coming to us today.

3 Take it away, Martha.

4 EXECUTIVE DIRECTOR LEARY: Actually, members, we  
5 have an interest in moving the agenda in moving the agenda  
6 around a little bit because we have some special  
7 circumstances among the participants.

8 I think we'd like to move to Agenda Item 60 first  
9 and then go to Agenda Item 1, and then take the rest of  
10 the agenda as described.

11 BOARD MEMBER PAPARIAN: Okay. Before we jump  
12 into the agenda on this, at the Special Waste Committee  
13 meeting -- I pointed this out. I just wanted to get it on  
14 the record for the full board. The report from Sac State  
15 that's coming, I think -- I still haven't gotten my copy.  
16 I think Martha was going to provide us all with copies. I  
17 had a conversation last month with Mr. Leary and Ms.  
18 Gildart and what they are planning to do.

19 I haven't seen to confirm this in an actual  
20 report that's out there. But in the report the plan is to  
21 remove all reference to equating tire burning or tire --  
22 projects as recycling, that the report would be  
23 essentially neutral on that because that essentially is a  
24 legal interpretation about how you would characterize  
25 burning of tires.

1           So the report would be silent one way or another.  
2 And I think, Mr. Leary, you confirmed at the Special Waste  
3 meeting that that would happen?

4           EXECUTIVE DIRECTOR LEARY: Yes, and it will.

5           SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

6 Good afternoon. Martha Gildart with Special Waste  
7 Division. And we're going to be starting Item 60, which  
8 was the reallocation and the unused tire fund dollars from  
9 Fiscal Year 2001-2002.

10           And we handed out a little worksheet here. We're  
11 not going to be doing quite the fancy electronic  
12 presentation we did last month when we first heard this  
13 item. And this is a much simpler item. There's many  
14 fewer entries. So we've got a worksheet here that you can  
15 follow through. I'll try to be fairly brief.

16           The Board action in May on the reallocation of  
17 the unused tire funds ended up with \$303,779 not  
18 allocated. So those monies rolled forward to  
19 consideration this month.

20           In addition, when we got down to working out the  
21 grant agreements for the track and recreational surfacing  
22 grant program, which the Board augmented last month, one  
23 of the projects had undertaken it's laying of track  
24 surfacing outside of the terms of the grant, so we can't  
25 pay them. So there's \$100,000 that rolled forward to this

1 month to be added to the unspent funds.

2           And then in the green building contracts program  
3 in the Market Development Division there was \$53,862 not  
4 spent out of its original allocation.

5           So if you don't have any questions on those  
6 three, is that the total monies available are \$457,641  
7 that the Board can consider how to spend this month.

8           Staff has put together some proposals that come  
9 to \$440,000, leaving a remainder of about \$17,000 unspent.

10          I'd like to briefly describe the proposals for  
11 using the monies. And I'm going to start sort of at the  
12 bottom of that list and work my way up. It has to do with  
13 a level of complexity.

14          The first three items there, the State Fire  
15 Marshal Agreement, the Environmental Engineering  
16 Consultants Contract, and the State Parks Interagency  
17 Agreement, are all existing vehicles that we feel we can  
18 augment and put additional monies into in the very short  
19 timeframe that's left in the fiscal year.

20          The State Fire Marshal Contract would be  
21 augmented in conjunction with the EEC Contract. They're  
22 very closely related activities. EEC was the contractor  
23 the Board selected a couple years ago. We held a Tire  
24 Fire Panel Workshop, for we invited experts from around  
25 the country to discuss how one prevents fires at tire

1 piles, how one responds to a fire at such a pile, and then  
2 how one cleans up afterwards.

3           And they have been presented with a huge pile of  
4 material and information that they are compiling into a  
5 report for the Board and a report to be used by the State  
6 Fire Marshal in its training program.

7           So we are proposing to augment the existing  
8 contract with EEC by \$15,000 to help them in their efforts  
9 in handling this larger than anticipated amount of  
10 material.

11           In addition, we want to augment the State Fire  
12 MARCH Contract by about \$20,000 to help them continually  
13 upgrade these materials and to use this report and its  
14 results in its training and presentations.

15           So the two sort of are interrelated, but we think  
16 are useful to the Board's goal.

17           The third one, augmenting State Parks Interagency  
18 Agreement. This is one where we had presented to the  
19 Board the proposals from State Parks to use rubberized  
20 asphalt at the San Luis Reservoir State Recreation Area.  
21 And at the time the Board had some concerns that both  
22 projects were in the same geographical and climactic  
23 locale. This one, the \$80,000 augmentation, would provide  
24 for a rubberized asphalt project up at the -- oh, gosh.  
25 I've forgotten the name. It's up there by Redding.



1 Castle Crag State Park, which is right off of Route 5, if  
2 you've driven up Route 5 from Redding to Shasta, the  
3 Castle Crag is on the left and State Park goes up into  
4 it. So we'd be getting a northern climate location for  
5 the rubberized asphalt project. So that way we really  
6 could compare some of the differences.

7 So that's one proposal.

8 The last one is an item that you'll be acting on  
9 following subsequent to this item, and that is a grant to  
10 the California District Attorneys Association to support  
11 the Board's Local Government Enforcement Program dealing  
12 with waste tires. And that amount is now being proposed  
13 at \$325,000.

14 When we brought this to the Board back in May we  
15 were asking \$311,000 because that was pretty much what we  
16 had available at the time. But to fully fund this  
17 activity -- and we can give more discussion now or you can  
18 wait till you hear the item -- we're asking for \$325,000.

19 So at this time I'd be happy to answer any  
20 questions.

21 BOARD MEMBER JONES: Martha, before that, Mr.  
22 Leary or somebody showed that our Chairwoman is back.

23 And then we held the vote open, Madam Chair, on  
24 Item 55. With that I had explained it to her quickly when  
25 you walked in about the 10-percent range and the

1 verification on green procurement.

2 CHAIRPERSON MOULTON-PATTERSON: Aye.

3 Thank you very much.

4 BOARD MEMBER JONES: Thank you. Now, it's all  
5 yours.

6 CHAIRPERSON MOULTON-PATTERSON: We're on 60.  
7 Okay.

8 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:  
9 We jumped to 60.

10 CHAIRPERSON MOULTON-PATTERSON: Questions?

11 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART: A  
12 Handout sheet. Did you get the worksheet yet?

13 BOARD MEMBER JONES: One question.

14 CHAIRPERSON MOULTON-PATTERSON: Mr. Jones.

15 BOARD MEMBER JONES: One question on the 17,000.  
16 Can we augment our clean-up contract and add that to that  
17 17,000 -- I mean add that 17,000?

18  
19 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:  
20 We could.

21 BOARD MEMBER JONES: Otherwise we lose it for two  
22 years, right?

23 CHAIRPERSON MOULTON-PATTERSON: Mr. Eaton.

24 BOARD MEMBER EATON: Or the other thing is if we  
25 could, since we are not going to be able fill the

1 positions within the division, perhaps augmenting the  
2 student contracts or that we -- so that we would have a  
3 workload reduction, if that's a possibility. That would  
4 be a range that helps since you have less people. That's  
5 really --

6 BOARD MEMBER JONES: We can do that.

7 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

8 Yes. Okay.

9 CHAIRPERSON MOULTON-PATTERSON: Any other  
10 questions or a motion?

11 BOARD MEMBER MEDINA: Madam Chair?

12 CHAIRPERSON MOULTON-PATTERSON: Mr. Medina.

13 BOARD MEMBER MEDINA: I'd like to move Resolution  
14 2002-289, consideration of concepts to be funded from the  
15 reallocation of unspent Fiscal Year 2001-2002 Waste Tire  
16 Management Program Funds, in the amount of \$440,000 with  
17 the adjustments that were suggested.

18 BOARD MEMBER JONES: It's \$17,641 to our student  
19 program for the tires. So that would make it a total of  
20 \$457,641.

21 I'll second that.

22 CHAIRPERSON MOULTON-PATTERSON: Okay. Before we  
23 vote on this, I just was handed a speaker slip. Bob  
24 Winters.

25 So we'll hold the motion and the second at this

1 time.

2 MR. WINTERS: That was on the other subject that  
3 we skipped for the moment, Madam Chair.

4 I wanted to speak on 56 and we went to 60.

5 CHAIRPERSON MOULTON-PATTERSON: Oh, okay. We'll  
6 come back. Sorry.

7 Okay. Please call the roll.

8 SECRETARY VILLA: Eaton?

9 BOARD MEMBER EATON: Aye.

10 SECRETARY VILLA: Jones?

11 BOARD MEMBER JONES: Aye.

12 SECRETARY VILLA: Medina?

13 BOARD MEMBER MEDINA: Aye.

14 SECRETARY VILLA: Paparian?

15 BOARD MEMBER PAPARIAN: Aye.

16 SECRETARY VILLA: Roberti?

17 BOARD MEMBER ROBERTI: Aye.

18 SECRETARY VILLA: Moulton-Patterson?

19 CHAIRPERSON MOULTON-PATTERSON: Aye.

20 Okay. And did you give your report, Mr. Jones?

21 BOARD MEMBER JONES: Yeah. It was real quick.

22 CHAIRPERSON MOULTON-PATTERSON: Okay. Then we'll  
23 go to 56. And we have a speaker.

24 EXECUTIVE DIRECTOR LEARY: Actually, Madam Chair,  
25 the Board, before you returned, discussed an interest in

1 doing Number 1 right after Number 60. We've got a timing  
2 concern for Agenda Item 1.

3 BOARD MEMBER EATON: Just for the record. We it  
4 was not. It was you.

5 EXECUTIVE DIRECTOR LEARY: Me.

6 BOARD MEMBER EATON: Just for the record.

7 EXECUTIVE DIRECTOR LEARY: Point well made by  
8 Member Eaton.

9 CHAIRPERSON MOULTON-PATTERSON: Okay. Number 1.

10 EXECUTIVE DIRECTOR LEARY: Executive Director on  
11 behalf of staff, correctively.

12

13 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

14 All right. Item 1 is consideration of award for  
15 Waste Tire Enforcement Grant to California District  
16 Attorneys Association Circuit Prosecutor Project for  
17 Fiscal Year 2001-2002.

18 This is a project that's been to the Board now  
19 couple of times. Staff is proposing to enter into an  
20 interagency agreement -- I'm sorry, I misspoke -- entering  
21 into a grant agreement with the California District  
22 Attorneys Association to provide environmental enforcement  
23 for rural local enforcement agencies, which is envisioned  
24 in the five-year plan where we describe the need to  
25 provide legal support to local governments in their

1 attempts to enforce against waste tire program violators.

2           This project would have services provided by the  
3 District Attorneys Association. We are suggesting a  
4 two-year pilot project, with a one-year review to  
5 determine how the program is progressing.

6           CDAA will be providing both prosecutor services  
7 and investigator services. They will be coordinating  
8 investigations at the local level, providing some  
9 training, assisting in the State and local waste tire  
10 enforcement.

11           All CIWMB grant funding will go towards the waste  
12 tire investigation, prosecution, training, and related  
13 activities.

14           At this point I believe --

15           BOARD MEMBER EATON: Madam Chair, maybe I can  
16 just -- first I'd like to thank you for allowing this item  
17 to be held over for a month. And I think the parties, Mr.  
18 Filter representing the Association, as well as our legal  
19 staff and Ms. Gildart, worked together. And finally I  
20 think we have a better sense of what the money's going to  
21 be used for; but more importantly, that we know what the  
22 Association is capable of so that we don't overperceive  
23 what they can and cannot do. And I think that was -- in  
24 the month. And I think with that we -- Legal is okay with  
25 the proposal, I think our staff. I think Mr. Filter is in

1 the back. And if he's okay with it, we can just move it.

2 CHAIRPERSON MOULTON-PATTERSON: Okay. Mr.

3 Filter, I do have your speaker slip. Would you just want  
4 us to proceed.

5 MR. FILTER: That's fine, unless you have any  
6 questions.

7 CHAIRPERSON MOULTON-PATTERSON: Okay. Any  
8 questions of Mr. Filter before we -- Okay, Mr. Medina.

9 BOARD MEMBER MEDINA: Madam Chair, I'd like to  
10 move Resolution 2002-273, award for Waste Tire Enforcement  
11 Grant to the California District Attorneys Association  
12 Circuit Prosecutor Project for Fiscal Year 2001-2002 from  
13 the Waste Tire Recycling Management Fund in the amount of  
14 \$325,000.

15 BOARD MEMBER JONES: I'll second.

16 CHAIRPERSON MOULTON-PATTERSON: Okay. We have a  
17 motion by Mr. Medina, seconded by Mr. Jones, to approve  
18 Agenda Item 1, Resolution 2002-273.

19 Please call the roll.

20 MS. McKEE: Eaton?

21 BOARD MEMBER EATON: Aye.

22 MS. McKEE: Jones?

23 BOARD MEMBER JONES: Aye.

24 MS. McKEE: Medina?

25 BOARD MEMBER MEDINA: Aye.

1 MS. McKEE: Paparian?

2 BOARD MEMBER PAPARIAN: Aye.

3 MS. McKEE: Roberti?

4 BOARD MEMBER ROBERTI: Aye.

5 MS. McKEE: Moulton-Patterson?

6 CHAIRPERSON MOULTON-PATTERSON: Aye.

7 And now we go back to 56, right?

8 Okay. Thank you.

9 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

10 Item 56 has been revised. We've got a new title  
11 for it, which is why it appears so lengthy.

12 Wrong one. I'm jumping ahead too.

13 Consideration of proposed applicant eligibility,  
14 project eligibility, scoring criteria, and evaluation  
15 process for Fiscal Year 2002-2003 Tire Product  
16 Commercialization and Applied Technologies Grant Program.

17 That's a change from the title that we'd started  
18 out with of using "Research Grant Program" at the  
19 direction of the Special Waste Committee.

20 This is the very controversial grant program that  
21 you heard so much discussion of earlier in the program,  
22 the Admin Division's description of the general grant  
23 criteria.

24 What we are presenting here is the program  
25 criteria. And if you'll look at Attachment 1 in the



1 packet, we've laid out the criteria as we would like to  
2 adopt them. We will be folding into this page the  
3 criteria that were adopted as part of your motion on the  
4 grant program. Was that 54? 55.

5 BOARD MEMBER PAPARIAN: Can I just clarify on  
6 that.

7 I don't think there were points in that, the one  
8 that was just voted on.

9 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:  
10 You're correct, there were no points.

11 And one of things we're going to have to try and  
12 balance here is what staff had been proposing as a total  
13 of 55 points would be available for the general criteria  
14 portion and then 45 points for the program criteria. So  
15 we could work through the general criteria as adopted  
16 earlier and add points for this particular grant program.  
17 That's about the only way I can see how to assign that.  
18 If the Board's comfortable with it. This is sort of an  
19 "as we're going" working sheet.

20 Okay. Let me first describe the program  
21 criteria. And THEN what we'll have to do is jump back to  
22 the page being used in the earlier item. And then we can  
23 go through the general criteria there for the points, if  
24 that will make sense. What staff has produced --  
25 proposing for the program criteria, Number 8, if you'll

1 see on Attachment 1, is to assign a total of 20 points to  
2 be available for the type of project.

3 That is, if they are producing a molded rubber  
4 product, it would be 20 points; if they are producing crum  
5 rubber or devulcanized rubber, which would feed into a  
6 molded rubber or could feed into a molded rubber  
7 production effort, that would be 15 points; production of  
8 tire shreds would be 10 points; and then other uses would  
9 qualify at 5 points.

10 That combines with the definition. And we had  
11 some discussion of this at the Special Waste Committee.  
12 And we had a slightly revised definition of molded rubber  
13 product, as: Crumb-rubber-derived product that is formed  
14 using a mold and pressure or by extrusion. So we were  
15 hoping to capture both types of molding processes. And it  
16 also defines crum rubber as waste tire particles a quarter  
17 inch or less in size. And we've provided a definition of  
18 devulcanized rubber.

19 In Criterion Number 9 there are also 20 points  
20 proposed. And it is split between the two foci, if you  
21 will, of this grant program.

22 For the commercialization effort we are assigning  
23 points based on the number of tires that they will be  
24 potentially recycling. So it would be 10 points if you're  
25 in the 200,000 tires a year, up to 20 points for more than

1 a million tires a year, being consumed by the process that  
2 we are providing funds for.

3 If it's to be more applied technology-type of  
4 project, the revised criteria would read: "Evidence of  
5 the likelihood of success bringing the applied technology  
6 into a commercial phase with a minimum increase of 200,000  
7 tires per year." That would also qualify at 20 points.

8 And Criterion 10, applicant has not been awarded  
9 any Board grant within the last three fiscal years, from  
10 Fiscal Year '99-2000 through Fiscal Year 2001-2002. They  
11 would qualify for 5 additional points.

12 So that brings to 45 the total points of program  
13 criteria.

14 If there are any questions on that?

15 CHAIRPERSON MOULTON-PATTERSON: Questions so far?

16 BOARD MEMBER MEDINA: I just had one question  
17 that has to do with the resolution. It says "over." Is  
18 there a second page to the resolution?

19 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

20 Yes. Did it not --

21 CHAIRPERSON MOULTON-PATTERSON: Yeah, yours must  
22 not have it. Mine has it.

23 BOARD MEMBER MEDINA: Okay. Thank you. I have  
24 it.

25 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

1           Okay. So if there's no questions or comments on  
2 the program criteria, then we could take a look at the  
3 general criteria as adopted and allocate points there  
4 totaling 55.

5           Typically the criterion on need, which is  
6 generally Number 1, is assigned fairly high number of  
7 points. We could do about 20, if that would...

8           Goals and objectives, I would put the next couple  
9 maybe at the 5 range, so that we could have the green  
10 procurement at 10 points.

11           So that's 30. That leaves us 25?

12           1, 2, 3, 4, 5. We could do 5 points each.

13           CHAIRPERSON MOULTON-PATTERSON: Now, are you  
14 still doing a report? Because we do have testimony.

15           SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:  
16 Excuse me?

17           CHAIRPERSON MOULTON-PATTERSON: This is still  
18 part of your report?

19           SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

20           Yes, this is still part of the presentation. The  
21 Board needs to adopt points for both the general criteria,  
22 which you've just adopted. And we couldn't give points  
23 earlier because we weren't sure what the criteria were  
24 going to be.

25           So what I'm proposing now would be 20 points for

1 the "need" criterion, 5 points each for "goals and  
2 objectives," "workplan," "evaluation," "budget,"  
3 "application completeness," and 10 points for the "green  
4 procurement," which would give a total of 55 for the  
5 general.

6 So that's our proposal at the moment.

7 And, yes, we're willing to answer questions at  
8 this point.

9 CHAIRPERSON MOULTON-PATTERSON: Questions?

10 BOARD MEMBER ROBERTI: No. As an observation, I  
11 think it's very good. It comes close to 55 between  
12 general and program criteria. Criteria comes close to  
13 50/50, which I think is an improvement over the past  
14 apportionments. The differential there was much more  
15 like -- it was 30/70, I guess.

16 CHAIRPERSON MOULTON-PATTERSON: Okay. Thank you.

17 We'll go to our public speakers at this point,  
18 then come back to the Board.

19 Bob Winters, Atlos Rubber.

20 MR. WINTERS: Good afternoon, Madam Chair,  
21 Members of the Board, Senator Roberti.

22 BOARD MEMBER ROBERTI: I'm a Member of the Board.

23 MR. WINTERS: I did want to recognize Senator  
24 Roberti especially because I feel wholeheartedly that his  
25 comments relative to the same grant applications coming

1 before the Board year after year after year is getting  
2 tiresome and that it should be spread out amongst those  
3 who have either not received one or certainly not received  
4 one.

5           And I find the Board's action on making it a  
6 three-year waiting period before you can qualify for as  
7 many points as you would probably need for award are very  
8 welcome.

9           I represent Atlos Rubber. It's kind of a crazy  
10 name. My dad thought it up, and "at Los Angeles" is what  
11 he had in mind. And I've been dealing with Atlas and  
12 Altos and everything else in between ever since.

13           At any rate, if I can -- if you'll bear with me  
14 for a moment, I'd like to give you some background on our  
15 company.

16           Atlos Rubber has been in business recycling scrap  
17 tire rubber since 1939. My dad before me. I've been  
18 there 45 years. My son's been there 30 years. We're the  
19 oldest recyclers in the southern California area, probably  
20 in the west.

21           Be that as it may, our primary function is the  
22 recycling, and has been for many years, of tire buffings,  
23 either from retread operations or an operation which I'll  
24 describe to you shortly.

25           We also recycle scrap tire tread peelings, which

1 are a byproduct of the splitting industry that splits the  
2 tread from the bias truck tire in order to stamp products  
3 out of the carcass of that tire.

4           There is a need that we have noted over the years  
5 for the shape of the crum rubber that is generated from  
6 tire buffings as opposed to that which is generated from a  
7 whole tire.

8           If you will, the shredded rubber that comes off  
9 of a grasp, which is used for buffing tires is an  
10 elongated particle. Now, we grind on it, it becomes  
11 shorter and shorter, but it is still an elongated  
12 particle. And as opposed to, a whole tire when ground  
13 creates more of a cuboidal, if you will, particle. And  
14 there are many products over the years, including today,  
15 that benefit from the elongated shape of the particle that  
16 is generated when tire buffings are used as the feedstock.

17           The elongation of it kind of gives it a tieing  
18 together, if you will, and better bond and so forth in  
19 many products. And as a result, we feel that it has been  
20 proven that there is a need for this type of feedstock  
21 made into crum rubber of this type of configuration and  
22 surface morphology.

23           Over the years the retread industry has not fared  
24 as well as some. And there are less and less tire  
25 buffings available from retread operations. And

1 retreading, as I'm sure the Board remembers, is one of the  
2 highest on the hierarchy of recycling of scrap tires, or  
3 what would otherwise be scrap tires.

4           So we feel that we do benefit the retreading  
5 industry by way of purchasing their tire buffings.

6           With this limit on the amount of that feedstock  
7 available, we have taken to production buffing within our  
8 plant. What we do is bring in what would otherwise go to  
9 the landfills, and that is the scrap bias-ply truck tires,  
10 which are primarily used for intermodal use.

11           These tires are not suitable to most whole tire  
12 recyclers in that they contain so much fabric, that it's  
13 difficult for them to deal with, and they would rather  
14 deal with the steel-belted truck tires, those that are  
15 doing truck tires at all.

16           As a result, we are diverting bias-ply truck  
17 tires that would otherwise have no other home than the  
18 landfill. And we feel that that is a beneficial thing.

19           We production-buff on a pilot basis at this time  
20 to remove the tread rubber and shoulder rubber from these  
21 bias-ply truck tires. Once we have done so, the balance  
22 of the buffed carcass is then provided to those who are  
23 stamping products out of that carcass to make various and  
24 sundry products, from scrap hangers for mufflers, and just  
25 a variety of products that are stamped out of the bias-ply



1 carcass.

2           So the whole tire is in fact recycled. We are  
3 not throwing away the carcass.

4           We have never applied for a grant. We did apply  
5 for and were approved years ago for an RMDZ loan, which we  
6 never went through with because the project at the time  
7 didn't seem to be wise marketwise. As a result we  
8 declined on the low-interest loan and didn't go forward  
9 with that project.

10          We are, however, going to make application for a  
11 grant this year for expansion of our buffing operation, to  
12 put in a full line of buffers and bring in a lot more of  
13 these bias-ply truck tires that are otherwise going to the  
14 landfill. And we would like to serve notice that that's  
15 what we're planning to do. And we hope that the Board  
16 will look favorably upon that process in the grant  
17 application process and so forth and give it as high a  
18 possible grading as possible.

19          And if there are any questions, I'd be glad to  
20 answer them.

21          CHAIRPERSON MOULTON-PATTERSON: I don't see any.

22          Thank you for telling us about your company.

23          Randy Roth, Lincoln Tire West, followed by Dr.  
24 Barry Takallou.

25          MR. ROTH:

1 BOARD MEMBER JONES: May I ask Martha a question?

2 CHAIRPERSON MOULTON-PATTERSON: Yes. Mr. Jones.

3 BOARD MEMBER JONES: Martha, the shavings that  
4 Bob Winters is talking about is obviously different than  
5 the crumbing.

6 I'm asking Martha.

7 If crumbing gets -- 15 points under you're  
8 criteria here, Criteria 8?

9 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:  
10 Correct.

11 BOARD MEMBER JONES: Where would the shavings  
12 fall? Or the --

13 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:  
14 While it is a different process than that which  
15 produces crumb, if the particle size is less than a  
16 quarter inch and can pass through the sieve, that would  
17 qualify as crumb. If it doesn't -- and I believe it's  
18 mostly larger?

19 MR. WINTERS: It depends on the grasp that we  
20 use. We could take it off as fine powder if we wish.

21 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:  
22 So some portion of their production would be less  
23 than a quarter inch and would qualify for the 15 points.  
24 Some portion of it might be greater than a quarter inch,  
25 and the way we've got it worded now it would not qualify

1 as 15 points.

2 If we wish to expand that definition, we'd still  
3 have to have some kind of a cutoff line.

4 BOARD MEMBER JONES: Right.

5 All right. I was just trying to figure out where  
6 it fit.

7 CHAIRPERSON MOULTON-PATTERSON: Mr. Roth.

8 MR. ROTH: I'm a litter bit surprised that my  
9 friend, Mr. Winters, didn't either begin or end with  
10 something clever, well thought out, like he usually does.  
11 So I've got a question.

12 If you're an American going into the bathroom, an  
13 American coming out of the bathroom, what are you while  
14 you're in the bathroom?

15 European.

16 Bob would have done much better.

17 MR. WINTERS: I liked it. I don't know about  
18 anybody else.

19 MR. ROTH: Madam Chair, Board Members, Thank you  
20 very much. I'm Randy Roth with Lincoln Tire West. And  
21 thanks for your time and your indulgence.

22 BOARD MEMBER ROBERTI: That woke me up.

23 MR. ROTH: Also, I'll beg a little bit a little  
24 bit of your indulgence for a history on Lincoln Tire.

25 Right now I'd say we've touched, based on our

1 eleven million tires, one out of every three tires  
2 generated in the State of California. If you take out  
3 off-the-road tires and medium commercial tires, we  
4 probably touch 50 percent of every tire generated in the  
5 State.

6 If you take a look at the feedstock that's  
7 necessary for crum rubber operations, like Mr. Takallou's  
8 and others' that have been successful in southern  
9 California, we touch about 65 percent of those tires.

10 We've been doing that for 30 years to the tune of  
11 about a hundred million tires. We're now the largest crum  
12 rubber feedstock producer in southern California, and a  
13 lot of that has to do with the Board's foresight in having  
14 given us a couple of grants that worked out very well for  
15 both of us. And today three million tires that were going  
16 to landfills three years ago are now not.

17 I think that's something that everybody here can  
18 be proud of. We are as a company.

19 We -- and I say that to qualify Lincoln Tire as a  
20 partner with the Waste Board in your desire to want to  
21 move tires into molded rubber products. Unfortunately, I  
22 think there's maybe a market condition that may not have  
23 been fully discussed, and I need to bring it up here.

24 With very, very few exceptions in California, or  
25 in the United States, there is no single company that

1 takes a whole scrap tire from its point of generation, be  
2 that retail sales or clean up, and makes it into a molded  
3 rubber product. Those companies just don't exist. And  
4 here in California, in particular, if it is happening,  
5 it's happening on a very limited scale.

6           What's been developed in California is a  
7 three-part system, where you have a traditional hauler and  
8 processor like Lincoln Tire; you have a traditional crum  
9 rubber producer, like Barry Takallou and others in  
10 southern California that are taking a feedstock that we  
11 produce and making the crum rubber; and then you have the  
12 user, the molded rubber products guy who actually is  
13 molding a product out of it.

14           The problem that I see -- and we've developed it  
15 already in southern California, and it is happening  
16 today -- is if you put a lot of money at the finished end  
17 of the process, at the molded rubber product user, it's  
18 not going to direct tires from the source to them  
19 necessarily. You have three parts -- three legs of a  
20 stool in California that's really supporting the crum  
21 rubber business and molded rubber products business. And  
22 because of our nature and our size and our length of time  
23 in the business, we're very competitive at the primary  
24 hauling and processing end, traditional tire haulers and  
25 processors.

1           It's difficult for somebody in the molded rubber  
2 products business to compete with us on that end, and it's  
3 difficult for us to compete with them, and for both us to  
4 compete with the person in the middle making the crum  
5 rubber that the molder uses. I would caution the Board  
6 that as we move forward with this emphasis on molded  
7 rubber products, that if you disregard the front  
8 processing end and disregard the end that's functioning  
9 now and disregard the system that's functioning now,  
10 you'll have a slightly more difficult situation than we  
11 have in southern California right now. And Martha and I  
12 have talked about it a couple of times.

13           I'm not here griping about not getting a grant or  
14 having a grant given and taken away. We've been the  
15 recipient of grants. We're thankful for it. We'll be  
16 recipients again. When we move tires, we'll move them in  
17 million-tire lots.

18           But what happened in southern California is  
19 you've now put the money into the finished product end,  
20 and we don't have the capacity on the front end to meet  
21 it. And believe it or not, there's more demand for  
22 two-inch and what we call four-inch feedstock for crum  
23 rubber than we have the capacity to produce. The  
24 machinery to produce, that's a half million dollars, give  
25 or take. That's what we had put in the grant for. And

1 because of our limited capacity to make a load of  
2 two-inch -- to take twenty-two hundred whole scrap tires  
3 and make them all this big takes two-and-a-half hours  
4 through the best machinery available today. There are  
5 only so many hours that we can work and so many hours that  
6 we can do that with limited capacity. There are loads  
7 going to the landfill today that would go to a crum rubber  
8 user today if the capacity in the front end had been  
9 different. That's the point I wanted to make.

10 I guess, like I'd said earlier, I don't want to  
11 sound like a rejected applicant. I want to sound like a  
12 and I want to be -- we want to be a valued partner and an  
13 opinion that matters and an opinion from a viewpoint that  
14 may be difficult for the Board members to see. The  
15 marketplace has moved from virtually no crum rubber used  
16 three years ago to three million of our tires today going  
17 into crum rubber feedstock. And that can continue. I  
18 think the Board needs to make sure to put --

19 BOARD MEMBER ROBERTI: Aren't tire shreds crum  
20 rubber feedstock?

21 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

22 The feedstock, yes. In the points that have been  
23 proposed for this round of commercialization grant, we  
24 have made a distinction -- and obviously the Board can  
25 change those points if they're trying to encourage more of

1 those shreds to go to crum rubber, because the shreds can  
2 go to a multiplicity of uses. They can go for crum rubber  
3 feedstock; they can go for civil engineering uses;  
4 lightweight fill; they can go for fuel. There's a variety  
5 of uses that the two-inch chip can be used for. We've  
6 only assigned it a score of about ten points.

7 MR. ROTH: That puts us, frankly, at a 10-point  
8 disadvantage in a system where, if it continues, you'll  
9 continue to have tires going to the landfill --

10 BOARD MEMBER ROBERTI: Well it does in a way.  
11 Well, let's pursue this a little bit, because you use up  
12 certainly more than 250,000 -- is our limit still 250,000?

13 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:  
14 The lower end was actually 200,000 tires per  
15 year. Below that we really wouldn't be giving any points.  
16 He's well over.

17 BOARD MEMBER ROBERTI: And does your proposal not  
18 count for any points under 200,000?

19 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:  
20 Our intent was to have zero points if it was  
21 below 200,000, 10 points at 200, all the way up to 20  
22 points for more than a million.

23 So he would qualify on that end.

24 MR. ROTH: So in order for us to compete, we need  
25 to do at least a million. So, in essence, what that



1 does --

2 BOARD MEMBER ROBERTI: Well, yes, because the --  
3 well, because the program is geared toward -- because of  
4 our five-year plan, molded rubber products. Nevertheless,  
5 we've recognized the good uses to which those companies  
6 that engage in either creation of tire shreds or -- I lost  
7 my word -- well, tire shreds -- engage in. So, yeah, you  
8 have to maybe do a little bit more. But you're very much  
9 in the ball game and probably are apt to use up more tires  
10 than somebody who's creating molded rubber products for  
11 the first time is. So --

12 MR. ROTH: The point -- and how you put this  
13 information to use is really up to you. But the point  
14 being that without the front end capacity, the back end  
15 users won't get the material. It needs to go through two  
16 other people currently in California. And it's pretty  
17 typical of the United States also as to how the market's  
18 developed. So it needs to go through two other processors  
19 before it gets to them. They're not going to go out  
20 unless they're able to use a large amount of grant money  
21 to change the tip-fee structure in the marketplace. Which  
22 I know is not your intention. Your intention is for  
23 equipment.

24 But short of them using your funds to change the  
25 tip-fee market, they aren't going to be able to go out and

1 compete and capture those whole tires and bring them in  
2 directly, go past the first two processors and make molded  
3 rubber products out of them.

4           And one of our national clients, one of the  
5 clubs, has approached us on two different occasions to try  
6 and set up a program that takes their generated scrap  
7 tires from the back of their warehouse club, out of their  
8 tire center, to us, to a crum rubber processor, to a mat  
9 molder, back into a door mat on an end cap at that same  
10 retail store. We've tried it twice. And these are big  
11 companies, big money, big marketing dollars. And the  
12 problem is, that right now the consumer won't pay the  
13 difference.

14           It's a very enjoyable story. It's very exciting.  
15 There's a lot of horsepower in it that this end-cap-molded  
16 mat product came from tires that were generated 200 feet  
17 at the back of the store and around. The problem being  
18 that you need all three of those pieces to make that  
19 happen. And it's an example of how -- on a much smaller  
20 scale, how the State of California I think needs to look  
21 at the process.

22           BOARD MEMBER PAPARIAN: Madam Chair.

23           CHAIRPERSON MOULTON-PATTERSON: Mr. Paparian.

24           BOARD MEMBER PAPARIAN: I'd like to follow-up on  
25 Senator Roberti's questions.

1           Between Criteria 8 and Criteria 9 there's 40  
2 points. And I think the point the Senator was trying to  
3 make is that if you have -- if you're absorbing a lot of  
4 tires, you can get up to 20 points. If you're producing a  
5 tire shred of some sort, you can get 10 points. Together  
6 you could get 30 points without even doing crum rubber or  
7 molded rubber.

8           MR. ROTH: And if that's functionally how it  
9 needs to work in the system, we'll compete on that level.  
10 But from my standpoint, it puts us at a magnitude of four  
11 times in order to compete with somebody making a molded  
12 rubber product, who personally -- that molded rubber  
13 product guy, Mr. Paparian, is not going to go out and get  
14 the whole tire. He doesn't have the capacity to do it.  
15 He doesn't have the equipment to do it.

16           And I understand it's a difficult exercise to  
17 reconcile. And I think we've taken a good step towards  
18 balancing the two points. But it's important that the  
19 Board understand how the market really functions and what  
20 happens as you put dollars into an existing economically  
21 balanced system.

22

23           BOARD MEMBER PAPARIAN: Let me also ask one  
24 thing. The question before related to tire shreds and so  
25 forth. Did you feel that the product that you're

1 producing falls in the definition of tire shreds?

2 MR. ROTH: Yeah, I think it does.

3 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

4 A two-inch size chip would be considered a tire  
5 shred, yes. Up to -- or down to, if you will, a quarter  
6 inch would be considered a tire shred under the way this  
7 is set up.

8 BOARD MEMBER PAPARIAN: Okay. Did I hear you say  
9 something about a four-inch --

10 MR. ROTH: Yeah, that's a very good point.  
11 Thanks.

12 We provide a couple of different feedstocks to  
13 different crum rubber manufacturers. Based on their  
14 front-end equipment and how they introduce their raw  
15 material into their processing line, they have different  
16 tastes for different size material. And obviously the  
17 smaller we have to grind it, the less tip fee there is in  
18 it. And the economics of those -- the way those shreds  
19 react in their system and the dollars, the way they react  
20 on their bottom line, are different. And we have a menu  
21 of those items our customers can choose from.

22 BOARD MEMBER PAPARIAN: Okay. And so the type --  
23 the up-to-four-inch you're talking about is for a crum  
24 rubber feedstock?

25 MR. ROTH: As it turns out, it's the exact same

1 material that we used for the Dixon Landing Project. So  
2 it would be a good segue way into civil engineering --

3 BOARD MEMBER PAPARIAN: Okay. So it could be  
4 crum rubber, it could be civil engineering?

5 MR. ROTH: Exactly. It's the same material. And  
6 it's a good point, because it's -- at some point in time I  
7 don't know how we would differentiate between the two.  
8 Two inches is -- let me educate for one minute. To make  
9 two inch we'd pass it over a two-inch shaker screen,  
10 which -- Mr. Jones, you were there the day ours was  
11 delivered. And the State bought it for us, as matter of  
12 fact. It's a large -- as long as this room, six feet  
13 wide, slanted deck, and it's got a bunch of two-inch holes  
14 in it. And what's two inches falls through; what doesn't  
15 goes back and gets recycled. To make the civil  
16 engineering project we took one of the four pieces of  
17 10-foot long deck areas that have two-inch holes in them  
18 and put a six-inch deck in at the very end. So for the  
19 first three quarters of the screen, two-inch material  
20 falls through; for the last quarter of the screen,  
21 six-inch material falls through. So you get a hybrid of  
22 material.

23 And that's finally what we ended up using in  
24 order to not have to manually sort our shreds to meet  
25 Dana's requirement of Dixon Land. We were able to

1 mechanically do it.

2           So it's -- civil engineering we call it four  
3 inch, for lack of a better word. It's crum rubber  
4 feedstock. It's all of the above.

5           CHAIRPERSON MOULTON-PATTERSON: Senator.

6           BOARD MEMBER ROBERTI: In the five-year plan do  
7 we make a distinction as between crum rubber and crum  
8 rubber feedstock?

9           SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

10          Not in the programs that are laid out. That came  
11 down only in this.

12          BOARD MEMBER ROBERTI: Well, because my reason  
13 for voting for more points for molded rubber products was  
14 simply that it is designated in the five-year plan as a  
15 goal of our tire commercialization grants or something to  
16 that effect.

17          However, a distinction as between crum rubber and  
18 crum rubber feedstock, I don't recall if we've ever  
19 discussed that we made distinction as between that.

20          SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

21          Well, staff had first proposed that distinction  
22 back -- whether it was November or December when the Board  
23 wanted to revise the criteria for the tire  
24 commercialization grant. If you recall, we'd gone through  
25 one cycle and we had brought back the recommended

1 applicants for award. And the feeling was that we had not  
2 selected enough of the molded rubber product.

3 BOARD MEMBER ROBERTI: Yes, I do recall that,  
4 yes.

5 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

6 At that time staff, in an attempt to both promote  
7 the molded rubber but still acknowledge this very flow  
8 that Randy's discussing from a whole tire to a shredded  
9 tire to crum rubber to the molded rubber, came up with the  
10 criteria to split, you know, points between those two  
11 different production points.

12 And while the shredded tires are a required step  
13 before can you get to crumb and then to molded, they have  
14 multiple markets they can go to. And we felt that too  
15 many points might be beefing up those other end uses that  
16 the Board had not designated as being preferred, you know.  
17 For instance, the civil engineering market, which the  
18 Board has put money into developing and we are confident  
19 will grow tremendously over the next few years,  
20 nonetheless that wasn't designated by the Board nor in the  
21 five-year plan for preference.

22 So a shred could go either to civil engineering  
23 or it could go to crum rubber for a molded rubber product.  
24 And so we split the points. We lowered the number of  
25 points available based on that multiplicity of markets.

1           You know, in reviewing an application you're not  
2 going to be able to say, "Okay, we'll buy you a shredder,  
3 and that shredder must forever and always be used for crum  
4 rubber production for molded." It's going to go wherever  
5 the market dictates at the time. And, indeed, I think  
6 this Board would want to encourage that.

7           MR. ROTH: I think that's why it's important  
8 maybe we should have had this discussion then that the  
9 molded guys don't get tires unless they're shredded. And  
10 I don't think it's the Board's interest to change the  
11 current economics of how the marketplace runs and how  
12 those tires get from the retailer to the molded rubber  
13 products guy. It's a matter of understanding how that  
14 works and working within that framework.

15           BOARD MEMBER ROBERTI: Well, we voted when we  
16 established the five-year plan to put a premium on the  
17 molded rubber products.

18           I understand your point, that it needs feedstock.  
19 And I understand Martha's point as to the tire shreds  
20 going elsewhere other than to molded rubber products.  
21 However, for specific point categorization I personally  
22 think that tire shreds and crum rubber ought to be treated  
23 the same. And -- because the premium was to put it on the  
24 molded rubber product, a product which we as a Board could  
25 say we helped fund.



1           And then any finer distinction, I see the point  
2 for it, but I don't think it's sufficient and I tend to  
3 think that it might then skew things away from the stock  
4 that's necessary to create the products. That's my own  
5 thought.

6           CHAIRPERSON MOULTON-PATTERSON: Thank you.

7           BOARD MEMBER ROBERTI: Maybe I'm moving a little  
8 bit in Randy's direction. Not as much as he would like to  
9 go.

10          CHAIRPERSON MOULTON-PATTERSON: Thank you,  
11 Senator.

12          Just a moment, Mr. Roth.

13          Mr. Jones had a question.

14          BOARD MEMBER JONES: Just couple of things real  
15 quickly.

16          At a million tires -- at your twenty-two hundred  
17 tires in the two-hour period through that machine, that's  
18 2.8 million tires in a five-day work week. You're going  
19 to get 20 -- you can get 20 points. It's going to be hard  
20 for the molded folks or even the crum rubber producers to  
21 show incremental capacity use of a million tires with the  
22 addition of new machinery, because one of the questions --  
23 and one of the points that got up early, and I don't know  
24 how many people really listened to it, but I know when we  
25 get to this, I'm going to include it if I make the motion;

1 and, that is, Senator Roberti's discussion about factual  
2 representation in grant proposals.

3 That, in fact, when you read a grant proposal  
4 that you've got to read three times to figure out if it  
5 really is what it says it is, we have a major problem.  
6 And I think that's what the Senator was getting at. There  
7 is a blatant misrepresentation to fall under category.

8 One of the things we're going to have to do when  
9 we do this scoring criteria as a follow-up to the grant is  
10 in fact follow up on "did that tire usage materialize?"

11 If you're grant says, "Give me 20 points because  
12 I want to do over a million tires," and you in fact do  
13 250,000 tires, you're going to owe us a bunch of money  
14 back, pure and simple. And that -- if this Board agrees  
15 to that. And I've got a pretty good feeling they will.

16 If -- and I mean it's got to be verified. And  
17 it's the additional tires; not the fact that you do eleven  
18 million dollars, but that, you know, eight million of them  
19 went to a certain place but because of this equipment now,  
20 a million of them plus end up in a new marketplace.  
21 That's easy to do, you know, and I do it.

22 So you get the benefit from this description of  
23 30 points. The way I'm looking at most crumbers, they're  
24 going to get 20 for the crumb, and they're probably going  
25 to get between 10 -- no, they get 20 if they do molded; if

1 they produce, they're going to be 15 -- they're going to  
2 get between 10 and 12 points in all likelihood, where  
3 you're going to get 30, you know, or you could get 30, or  
4 somebody that does your business could get 30.

5           So I think we've equalized the playing field, I  
6 think a lot of it; because what Martha had brought  
7 forward, in a way that kind of deal with that feedstock  
8 issue. I think the way you deal with the feedstock issue  
9 is in this Criteria 9 that allows for variation.

10           MR. ROTH: And, Martha, to your point, it's --  
11 and to yours, Mr. Jones, it's very simple as I look at our  
12 business to see where the product goes. All you have to  
13 do is go see how many manifests were at Asuza from Lincoln  
14 Tire three years ago and how many were at CRM and FNRI and  
15 RTG, and it's -- now those tires are clearly not going one  
16 place and going another. And it's easy to figure out.

17           CHAIRPERSON MOULTON-PATTERSON: Thank you.

18           MR. ROTH: One more thing.

19           Civil engineering, we're working on one project  
20 in southern California now. I think as we look at new and  
21 innovative and large use -- large capacity uses, I'd like  
22 to see the Board focus on civil engineering. There's one  
23 project that we're going to do a demonstration on 600 feet  
24 of wall that CalTrans has agreed to put shreds in, at  
25 least that's what we're working on with Stacy. If they

1 did the whole wall, it would use nineteen million tires in  
2 one project.

3 Thanks for your time.

4 CHAIRPERSON MOULTON-PATTERSON: Any other  
5 questions of Mr. Roth?

6 Mr. Eaton.

7 BOARD MEMBER EATON: No, I just wish some of the  
8 speakers would speak to the issue as to whether or not  
9 they feel that the three-year prohibition is overly penal  
10 in nature and that maybe two years might be a more  
11 appropriate, because as some of those were involved in a  
12 number of issues. And it just -- some of the speakers  
13 didn't --

14 MR. ROTH: Thank you very much.

15 What would be wrong If you had three haulers,  
16 three crum rubber producers, and three molded rubber  
17 products? In between those nine companies thirty-five  
18 million tires, thirty-seven million tires were needed in  
19 California and we imported feedstock. I don't understand  
20 why the State feels like they need to penalize companies  
21 like myself and Mr. Takallou, people who have been here  
22 for a long time and had the capacity to eat up a lot of  
23 tires in benefit of somebody who may never recycle tire  
24 one. Some of these people who have gotten grants, we  
25 recycle more tires in a week than they will in five years.

1 And to tell a company like ours that we have to stand back  
2 and let Joe's new company and Sam's new company and  
3 Joanne's new company get grants and hopefully see what  
4 happens to three or four hundred thousand, a million tires  
5 when that money elsewhere in -- in the successful  
6 businesses that are the three legs of the stool, that same  
7 money would make twelve million tires disappear.

8 BOARD MEMBER ROBERTI: Well, the reason is -- and  
9 you can challenge me on this, because I could be wrong.  
10 The reason is we're not recycling all the tires. And the  
11 only way we're going to recycle all the tires is to create  
12 new products. And that is why the five-year plan. And I  
13 voted to implement the five-year plan because of in front  
14 of us, not because when I voted I necessarily agreed that  
15 the priority we were giving molded rubber products was  
16 necessarily correct, but I think you have to give a  
17 five-year plan that you institute a chance. And that is  
18 based on the premise that we are not recycling all the  
19 California tires that are used. Because we are not  
20 recycling all the California tires that are used, how do  
21 we do it? And the way we do it is to create new products.

22 MR. ROTH: Or to continue to develop those people  
23 and increase the capacity with those businesses that have  
24 demonstrated that they can recycle products. There are  
25 companies right now --

1           BOARD MEMBER ROBERTI: I understand your point.  
2 But that was not the five-year -- the five-year plan put  
3 the priority on new products. And what I think we should  
4 do at some point in the future is to review the five-year  
5 plan to see how we're moving along on that.

6           For my own thoughts on what you're raising,  
7 because you raised very good points, is that I feel that  
8 crum rubber and crum rubber feedstock should be treated  
9 the same as long as I feel relatively confident that the  
10 bulk of the crum rubber feedstock is not being used for  
11 things of more nefarious nature like ADC.

12          MR. ROTH: Economically it could never happen.

13          BOARD MEMBER ROBERTI: Okay, fine.

14          If that's the case, then all the other products  
15 you're talking about -- for example, engineering uses,  
16 that's fine. And I don't have any quarrel with that. I  
17 think it's fine. But our five-year plan, which we voted  
18 on -- and sometimes you've just got to sort of settle on a  
19 course of -- a method -- a modus operandi and see how it  
20 works. You just can't be changing back and forth all the  
21 time.

22          Our five-year plan says that we have to encourage  
23 new products. If that's not working, then probably they  
24 have to do things like, you know, engineering, landfill,  
25 and all those things that you're talking about.

1 MR. ROTH: Is it new products or molded products?

2 BOARD MEMBER ROBERTI: Well, molded products.

3 Essentially they're new. Molded rubber products.

4 MR. ROTH: What if there was a -- what if this  
5 triangle is a four-part puzzle to work with the retailer  
6 with the end -- with the mats. If it had worked and all  
7 of -- and we sent four million tires and they all became  
8 mats, it's not a new product. It's an old product, but  
9 they all got recycled. I'm not sure why we're searching  
10 for new products when we have -- and maybe what we need to  
11 do is increase the capacity of the products that we have  
12 and the marketability of the products that we have.

13 BOARD MEMBER ROBERTI: I guess the Board in its  
14 infinite wisdom felt that increasing what we have isn't  
15 getting rid of all the tires. We just seem to be creating  
16 more -- you know, we're behind the curve.

17 MR. ROTH: It is working, Senator. I think --

18 CHAIRPERSON MOULTON-PATTERSON: Excuse me.

19 BOARD MEMBER ROBERTI: Whatever, whatever -- for  
20 my own vote, I believe crum rubber and crum rubber  
21 feedstock should be treated the same, if staff doesn't  
22 challenge the observation that crum rubber feedstock is  
23 basically -- could be used extensively for ADC.

24 CHAIRPERSON MOULTON-PATTERSON: Mr. Paparian.

25 BOARD MEMBER PAPARIAN: Thank you, Madam Chair.

1 I think we started this little discussion on the question  
2 of the three-year -- getting preference if you hadn't  
3 gotten a grant in the last three years. I guess there's  
4 been some discussion we've had making that two years  
5 instead of three years.

6 In northern California last week we heard from  
7 somebody who didn't get a grant and felt that their  
8 competitors were getting a competitive bid on -- advantage  
9 by getting a grant. And I think that part of the reason  
10 for having the prohibition -- not the prohibition, but the  
11 point advantage if you haven't gotten a grant in the last  
12 two or three years is to help assure that the same people  
13 aren't getting grants over and over again to the  
14 disadvantage of their competitors -- taking advantage of  
15 their competitors.

16 MR. ROTH: I will assure you that in our case and  
17 in the case of most businesses, the State buying equipment  
18 and increasing capacity for existing markets doesn't  
19 necessarily transfer directly to profitability. So our --  
20 for a company to say that another company has a  
21 competitive advantage because of our grant, if the Board  
22 administers the program correctly and makes sure that they  
23 buy plant and equipment and that it's new equipment and  
24 that it's done correctly and the tires are recycled, I'm  
25 not sure how that translates to a competitive advantage or



1 disadvantage. It wouldn't necessarily for us change our  
2 profitability if we had a larger capacity. Our costs  
3 structure would be the same. So I don't see how the  
4 grants end up influencing the competitive nature of the  
5 marketplace if they're implemented correctly, administered  
6 correctly.

7 BOARD MEMBER PAPARIAN: Yeah, I'm not sure I  
8 agree with you on that one. If you have -- if one  
9 business gets \$250,000 in free money for what they're  
10 doing and then the next business does not, the first  
11 business has \$250,000 to --

12 MR. ROTH: In order to get \$250,000, Mr.  
13 Paparian, they have to spend half a million, they have to  
14 spend \$375,000.

15 BOARD MEMBER PAPARIAN: Okay. Let's say you've  
16 got two identical companies though, one spends half a  
17 million, one spends 250,000 to buy the exact same stuff.  
18 The one who's just spent 250,000 has got a little bit of a  
19 financial advantage. And that's what we're trying to help  
20 avoid.

21 CHAIRPERSON MOULTON-PATTERSON: Okay. Thank you,  
22 Mr. Paparian. Thank you, Mr. Roth.

23 Dr. Barry Takallou, CR&M company.

24 DR. TAKALLOU: Thank you, Madam Chair, Members of  
25 the Board. As Randy mentioned, we are the largest --

1 CRM's the largest crum rubber facility in the State of  
2 California, converting whole tire down to crum rubber.

3 And we should learn what we learn from last  
4 cycle. In the last cycle, as Randy mentioned, there were  
5 nine successful applicants. Seven of those went to molded  
6 products. One went to feedstock. One went to crum  
7 rubber.

8 Each of the projects require to recycle a minimum  
9 250,000 tires. If all of these seven molded rubber  
10 products going to recycle 250,000 tires as required by the  
11 grant, minimum requirements, so you need a capacity of 1.7  
12 million tires needs to get down to crumb. But if there  
13 was only one company was -- the grant was awarded, which  
14 they're going to throw away the crumb. So in my opinion,  
15 as Randy mentioned, it's got to be a balance within the  
16 capacity of the front end and rubber molded product; if  
17 you can have that in mind, that, you know, balance  
18 program.

19 However, I have three comments. And this is a  
20 follow-up to Mr. Jones' comment about evaluation.

21 How do we know if company X come and claim I'm  
22 going to recycle one million tires, what kind of an  
23 evaluation do we have in place? Anybody under some of  
24 these companies they can just sign under penalty of  
25 perjury "I'm going to do one million tires" and they get

1 20 points. What enforcement do we have in place.

2           Number 2, there is another requirement in the  
3 grant application: The equipment purchased by these  
4 grants should sustain the State minimum for five years.

5           What going to happen after two years the grant  
6 close? What's going to happen to this equipment? How do  
7 we know if the equipment is going to stay in the State of  
8 California? Are we going to go and follow-up on this  
9 equipment five years down the road?

10           BOARD MEMBER JONES: Yes.

11           DR. TAKALLOU: And the third point is a match  
12 money. In the last time around we have seen projects  
13 which were \$250,000 offered the match of \$1.5 million.  
14 Which the match money was actually a loan, came from the  
15 same program.

16           Is this allowed to leverage the whole program to  
17 get from the same cycle? You use your match, you get a  
18 loan and you get a grant. And I'd like to seek an answer  
19 for these three questions, and obviously how are we going  
20 to enforce match money? Is this just penalty of perjury  
21 again, I'm going to put 250,000 or whatever? How do we  
22 know if that match money came in.?

23           And, finally, as I said, I would like to know:  
24 Can a company apply for the loan in one hand and get the  
25 grant from another hand, so the match money comes from the

1 loan?

2 CHAIRPERSON MOULTON-PATTERSON: Thank you.

3 Ms. Gildart.

4 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

5 On the first question he is asking about  
6 enforcing the number of tires claimed in the grant  
7 application. The evaluation of the application looked to  
8 see if the equipment that is being requested for funding  
9 can actually process the number of tires claimed, what  
10 kinds of hours a day it has to run, what kind of budget  
11 they've laid out.

12 Then during the course of the grant, if that  
13 application's chosen for award, there are quarterly  
14 reports which are required of the applicant. They have to  
15 report in every three months to the grant manager of what  
16 they are doing, how they are proceeding. No monies are  
17 actually paid out until -- after equipment is bought,  
18 purchased, installed, and invoices are submitted, we can  
19 go and check to see if the equipment is there, if it is  
20 being operated correctly. At the conclusion of the grant  
21 there are final reports required. There's a 10-percent  
22 withholding on all payments made through the course of the  
23 grant and the determination made whether or not the  
24 progress of the grant is sufficient to receive that  
25 10-percent withholding.

1           In addition, the Board does random audits of  
2 grants, probably 20, 25 percent of the grants given in any  
3 year, roughly five years after awards. So that's two to  
4 three years after completion.

5           If staff feels there are particular concerns with  
6 any grant that did not perform well, they can request an  
7 up-front audit either done by the Board staff, we have an  
8 audit function with the Admin Division, or from the  
9 Department of Finance. And we have done that in the past.

10           That is also the mechanism we use to ensure that  
11 the equipment remains in State for five years, is through  
12 the audit mechanism.

13           And so I think that answers Dr. Takallou's second  
14 question.

15           As far as the instance he referred to last year  
16 where a company received both the grant and the loan, they  
17 had sufficient funds separately to meet the match  
18 requirement for the grant outside of the terms of the  
19 loan. And the loan money is not based on the grant. So  
20 they were separately evaluated. I don't see anyone here  
21 from the loan program to give you any more details. But  
22 they qualified separately for those two different funding  
23 mechanisms.

24           BOARD MEMBER ROBERTI: Was it for the same -- was  
25 the match and the -- were the match and the loan for the

1 same --

2 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

3 It was over an overall expansion that was made up  
4 of several different components. I'd have to have that in  
5 front of me to tell you specifically what they were going  
6 to use to purchase with the grant monies versus their own  
7 monies versus the loan monies. I don't have that in front  
8 of me.

9 BOARD MEMBER ROBERTI: Yes, but was it roughly  
10 for the same program, product, whatever?

11 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

12 I believe so.

13 BOARD MEMBER ROBERTI: Yeah, I -- and it's  
14 perfectly lucid for the Board to do that. But I sort of  
15 tend to think maybe that's a policy we ought to change, if  
16 the whole aspect of matches has got to be something --  
17 it's got to be your own money.

18 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

19 And that was the case.

20 BOARD MEMBER JONES: I think she said the match  
21 was separate.

22 BOARD MEMBER ROBERTI: The match was separate.

23 But I understand the match came from a loan.

24 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

25 No, no, no.

1 BOARD MEMBER JONES: No.

2 BOARD MEMBER ROBERTI: Okay, then I'm mistaken.  
3 Okay.

4 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

5 They had sufficient money of their own in the  
6 project to qualify for the grant, totally separate from  
7 any loan. The loan doesn't look at things like match  
8 money. It looks at the overall financial viability.

9 BOARD MEMBER ROBERTI: I understand that. But a  
10 grant would look at match money.

11 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

12 And they had sufficient -- more than  
13 sufficient --

14 BOARD MEMBER ROBERTI: And they had sufficient  
15 money.

16 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

17 More than the minimum.

18 BOARD MEMBER ROBERTI: But the loan went to the  
19 company for the same program?

20 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

21 For different components of the same expansion.  
22 It wasn't for all the same piece of equipment. So that --  
23 one of the things, as I understand it -- I'm sorry Jim La  
24 Tanner's not here -- one of the things the loan program  
25 looks at is if they have to foreclose, will that piece of

1 equipment provide the Board with the funds to pay back the  
2 loan as necessary? So you can't have just paid for that  
3 piece of equipment with the grant from the Board and then  
4 have it qualify for the loan. But I'm not part of the  
5 Loan Review Committee. My understanding is it was  
6 separate. The grant was prior to the loan award. The  
7 loan award stood separately even though it was overall for  
8 the same expansion project of many pieces of things going  
9 in.

10 BOARD MEMBER ROBERTI: And do you recall what --  
11 which of our programs did the loan come under?

12 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

13 The Recycling Market Development Zone Loan  
14 Program. But it was Tire Fund dollars.

15 BOARD MEMBER ROBERTI: It was Tire Fund dollars.

16 I do think it's sort of a on-the-cusps area  
17 though. I understand your point. But from the point of  
18 view of an applicant, an applicant could say this is all  
19 intelligent accounting devices. And that maybe it isn't  
20 technically from the same funds, but, you know, it's in  
21 the same program and they're matching -- they're matching  
22 for roughly the same program. And I'm not saying there's  
23 anything illicit about it. I'm just saying maybe that is  
24 something that the Board ought to give another look to,  
25 because I personally would be concerned on the fairness of



1 it. If we give a loan and a grant at the same time in an  
2 area and the grant has to be matched, it strikes me as  
3 somebody would have an argument of the perception of --  
4 the fairness. Not the perception of legality, because  
5 it's not illegal and it's certainly not inconsistent with  
6 Board policy. But I'm thinking maybe the Board ought to  
7 review that as far as what our policy is concerned.

8 CHAIRPERSON MOULTON-PATTERSON: Certainly review  
9 it.

10 BOARD MEMBER JONES: Madam Chair.

11 CHAIRPERSON MOULTON-PATTERSON: Mr. Jones.

12 MR. ROTH: Madam Chair, can I ask one more very  
13 quick question?

14 What's to stop a company in the next grant cycle,  
15 whether it's a two-year prohibition or three -- I'd like  
16 to see it as minimal as possible -- from merely changing  
17 their name, applying again? In the last grant cycle one  
18 company got two loans. And it's the same company and  
19 everybody in the marketplace knows it. They just change  
20 the name and change the address. What's to stop that from  
21 happening the next time and getting around the -- getting  
22 around the -- it was --

23 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

24 I'm sorry. You said in the last grant cycle a  
25 company got two loans, so that confused me.

1           MR. ROTH: I'm sorry. Got two grants, right.  
2 Got two grants, got half a million dollars, one company.  
3 And all they did was change the name of the company. The  
4 address, the same; the principals were the same. And  
5 maybe that's okay. And if it is, we just need to know.

6           CHAIRPERSON MOULTON-PATTERSON: Miss Gildart.

7           SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

8           It has to do with incorporation of businesses and  
9 the substructure of subsidiary companies and wholly owned,  
10 this, that, and the other thing. And it came before the  
11 Board. They were very open about the relationship. There  
12 is -- actually there were three different entities that  
13 submitted dual applications through that whole process,  
14 where there is a production company for the feedstock  
15 where they take whole tires and grind or shred them, and  
16 then a company that they are forming specifically because  
17 of the Board's interest in molded rubber products to take  
18 their own feedstock and make molded rubber products. So  
19 they have two separate companies, separately incorporated,  
20 limited liability corporations to do this.

21           Obviously if the Board feels this is  
22 inappropriate, we could so set a policy in the future.  
23 But we're asking this industry to do that. One of the  
24 things -- one of the reasons the five-year plan specified  
25 that we needed to support molded rubber products is that

1 it was the one thing in the Board's hierarchy that had the  
2 highest value end-use product, whatever, and yet there was  
3 not enough capacity out there to produce them.

4 And the idea with this grant program was we were  
5 going to create that capacity. And of course you're going  
6 to go to the people in the industry who know the most.  
7 And if they're willing to take that risk to incorporate  
8 and form small companies that will try and do this but  
9 still protect their parent corporation from any failure of  
10 this new company, then why not let them? I don't see that  
11 as a conflict. I see that as how you create that market.

12 BOARD MEMBER ROBERTI: What was the product --  
13 what were the two -- I can't remember now. What were  
14 the --

15 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:  
16 Golden Byproducts and their subsidiary, Ag Link. And we  
17 have done in the past BAS and their subsidiaries.

18 BOARD MEMBER ROBERTI: And they made what?

19 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:  
20 Golden Byproducts is a tire collector, hauler,  
21 shredder, and crumb producer, and they want to go into a  
22 molding product.

23 I'd have to -- the Ag Link one, that was the one,  
24 remember, that sort of came down real low there. We had  
25 to do a reallocation to fund it.

1           And in the past we've given money to BAS and  
2 their subsidiary, the CRM -- I'm sorry -- EMC, EMC.

3           DR. TAKALLOU: Not CRM.

4           SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

5           This is CRM. I'm sorry, Barry.

6           And Barry himself has applied for multiple grants  
7 in one cycle, although somewhat more separated activities.

8           CHAIRPERSON MOULTON-PATTERSON: Is there a way  
9 that the Board will -- all I know in this case -- you said  
10 they were very up front -- I don't remember all the  
11 details -- but that we can be very aware of it? I mean to  
12 me as a Board member, that's important, aware that it is  
13 maybe the same company with different names. I mean I  
14 would just like to know that before voting.

15          SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

16          We could highlight that if it hadn't been made  
17 clear last time. I thought with the discussion that was  
18 held --

19          CHAIRPERSON MOULTON-PATTERSON: It might have  
20 been. I don't remember every detail. But I'm just saying  
21 I'd like to know that.

22          SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

23          We can try to highlight it --

24          BOARD MEMBER ROBERTI: Also we should be aware --  
25 maybe the best way of handling it -- of whether someone

1 has also received a grant in the -- rather a loan in the  
2 same general area.

3 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

4 It was flip-flopped. The grant preceded the  
5 loan.

6 BOARD MEMBER ROBERTI: Okay. Then -- whichever,  
7 whichever. If they receive -- or two loans or two grants  
8 in the same general area. That would help.

9 The other thing that would help is that there  
10 would be a way that we could factor that information in.  
11 Because knowing something and then having counsel say that  
12 you can't take it into consideration doesn't help too  
13 much.

14 So that we can in a way factor that in. That  
15 would handle a couple of concerns.

16 DR. TAKALLOU: Thank you, Madam Chair.

17 CHAIRPERSON MOULTON-PATTERSON: Thank you.

18 Thank you, Mr. Roberti.

19 We left off with Mr. Jones.

20 BOARD MEMBER JONES: I'm going to make a motion.

21 But, you know, this amazes me, this talk about two  
22 companies. Because all businesses deal with this, not to  
23 defraud this Board. But I think you're right. I think we  
24 do need to have the information. I think it was provided.

25 But there were people that didn't get loans that

1 put in two applications as well. So, you know, don't kid  
2 yourself; that this is about "they got it and I didn't."

3 I want to move adoption of Resolution 2002-285  
4 Revised, consideration of a proposed applicant  
5 eligibility, project eligibility, scoring criteria, and  
6 evaluation process for the 2002-2003 tire  
7 commercialization.

8 I would also like it included that when this goes  
9 out, there is a notification if there is a -- the  
10 definitions under Criteria 8 need to be published, which  
11 describes what molded rubber products and all these things  
12 are. And that if there is a misrepresentation, that the  
13 Board be made aware; even if it's during the scoring, that  
14 the Board is made aware that immediately.

15 BOARD MEMBER MEDINA: Second.

16 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

17 No change to the points, as mentioned?

18 BOARD MEMBER ROBERTI: Oh, yeah, Madam Chair, if  
19 Mr. Jones is not agreeable, I would like to offer that a  
20 substitute. I don't know what you're feeling is --

21 BOARD MEMBER JONES: Which points do you want to  
22 change?

23 BOARD MEMBER ROBERTI: That crum rubber and crum  
24 rubber feedstock from tire shreds be both given 10 points,  
25 I guess.

1 BOARD MEMBER JONES: That's fine.

2 BOARD MEMBER ROBERTI: But what is it, 15 --

3 BOARD MEMBER JONES: Yeah, whatever.

4 BOARD MEMBER ROBERTI: That they both be given  
5 15.

6 BOARD MEMBER JONES: Okay.

7 CHAIRPERSON MOULTON-PATTERSON: Mr. Paparian.

8 BOARD MEMBER PAPARIAN: Yeah, just so I  
9 understand.

10 Crumb rubber feedstock and tire shreds can be two  
11 different things. So you're talking about crum rubber  
12 feedstock getting the 15 along with crum rubber. And  
13 other types of tires shreds continuing to get 10, is that  
14 right?

15 BOARD MEMBER ROBERTI: No, the tire shreds and --  
16 my wish would be that tire shreds and crum rubber be  
17 treated the same.

18 CHAIRPERSON MOULTON-PATTERSON: And that's in  
19 your motion, Mr. Jones?

20 BOARD MEMBER JONES: Yes, Madam Chair.

21 CHAIRPERSON MOULTON-PATTERSON: Okay. We have a  
22 motion by Mr. Jones, seconded by Mr. Medina, to approve  
23 Resolution 2002-285 --

24 Dr. Takallou: Madam Chair?

25 CHAIRPERSON MOULTON-PATTERSON: Just a moment

1 please.

2 Was it something pertinent to this motion.

3 DR. TAKALLOU: Yeah, I'm just confused. Is both  
4 going to get 15 points or both going to get 10 points?

5 BOARD MEMBER ROBERTI: Fifteen.

6 BOARD MEMBER JONES: Fifteen.

7 CHAIRPERSON MOULTON-PATTERSON: Fifteen.

8 Thank you.

9 Okay. Please call the roll.

10 SECRETARY VILLA: Eaton?

11 BOARD MEMBER EATON: Aye.

12 SECRETARY VILLA: Jones?

13 BOARD MEMBER JONES: Aye.

14 SECRETARY VILLA: Medina?

15 BOARD MEMBER MEDINA: Aye.

16 SECRETARY VILLA: Paparian?

17 BOARD MEMBER PAPARIAN: Aye.

18 SECRETARY VILLA: Roberti?

19 BOARD MEMBER ROBERTI: Aye.

20 SECRETARY VILLA: Moulton-Patterson?

21 CHAIRPERSON MOULTON-PATTERSON: Aye.

22 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

23 Could I just seek one point on a clarification?

24 There have been some discussion about the

25 follow-up to check some of these numbers, you know, the



1 claims. Was that in any way included in the motion or is  
2 that just something you want to see us slowly  
3 incorporate --

4 BOARD MEMBER JONES: That was included.

5 BOARD MEMBER ROBERTI: And could I ask, because I  
6 don't have -- now, if we wanted to find out if someone had  
7 received a loan in the same general area and they are  
8 applying for a grant, would that be -- I am not saying  
9 staff doesn't know, but we all have to be remind in big  
10 red letters at times -- would that be on -- how would that  
11 notice be given us?

12 CHIEF COUNSEL TOBIAS: Probably in a staff report  
13 as a disclosure.

14 BOARD MEMBER ROBERTI: In a staff report?

15 And is that included in the motion in big red  
16 letters?

17 CHIEF COUNSEL TOBIAS: In big red letters.

18 BOARD MEMBER ROBERTI: Okay.

19 CHAIRPERSON MOULTON-PATTERSON: Thank you,  
20 Senator.

21 Okay. I'm going to call a 10-minute break right  
22 now.

23 (Thereupon a short break was taken.)

24 CHAIRPERSON MOULTON-PATTERSON: Call the meeting  
25 back to order please.

1           We have just about six more items.

2           BOARD MEMBER EATON:   No ex partes, Madam Chair.

3           CHAIRPERSON MOULTON-PATTERSON:   Thank you.

4           BOARD MEMBER MEDINA:       Me either.

5           BOARD MEMBER JONES:   Nor do I.

6           CHAIRPERSON MOULTON-PATTERSON:   I don't either.

7           Mr. Paparian.

8           BOARD MEMBER PAPARIAN:   Just follow up on the  
9 last item with Barry Takallou and Randy Roth and George  
10 Larson.

11          CHAIRPERSON MOULTON-PATTERSON:   Thank you.

12          And we're on to Item 57, is that right?

13          SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

14          All right.   To speed this process up, Items 57  
15 and 58 deal with the evaluation of rubberized asphalt  
16 concrete application processes.   And it's an interagency  
17 agreement with CalTrans.

18          We did not have a scope of work when we presented  
19 this to the committees, but we do now Nate Gauff is here  
20 to discuss it.   And we'll try to fold the two together,  
21 and then we can take two separate motions.

22          MR. GAUFF:   Good afternoon, Madam Chair and Board  
23 Members.   I'm Nate Gauff with the Special Waste Division.

24          Item 57 is a consideration of scope of work for  
25 the evaluation of Rubberized Asphalt Concrete Application

1 Processes Contract. What that is basically in the  
2 five-year plan, there was \$600,000 allocated to study  
3 the -- basically to study the three types of rubberized  
4 asphalt concrete processes, which would be wet process,  
5 dry process, and terminal blend.

6 As Martha mentioned, we did not have a scope of  
7 work at the last meeting -- or at the Committee meeting.  
8 But since then we did meet with CalTrans and worked out a  
9 scope of work, which is in your packet, or I think you  
10 guys got a handout or an addition to the packet.

11 Basically the scope of work is going to entail  
12 CalTrans -- or is going to be a part of CalTrans' existing  
13 evaluation package for what they call modified materials.  
14 They're going to look at folding in something that we  
15 asked for specifically, which was dry process rubberized  
16 asphalt, which typically isn't done in this State.  
17 There's only one company that I think they identified that  
18 actually uses dry processed material.

19 What they're going to do for us is, one, identify  
20 an appropriate section of highway to conduct this test.  
21 They're going to put a -- basically four different  
22 materials out on the test section. One is going to be a  
23 conventional asphalt, which is typically a control  
24 section. They're going to do a section of traditional wet  
25 process rubberized asphalt, which has the 30-year history

1 here in the State of California -- or not -- 30 years in  
2 the west, about 25 years here in California.

3           They're going to also do a section of terminal  
4 blend -- actually two sections of terminal blend, one at  
5 full thickness and then one at half thickness to test the  
6 material's properties; and then look at two sections of  
7 dry process, looking at a half thickness and a full  
8 thickness.

9           Within the project they're going to do a number  
10 of different tests: Preconstruction tests, actual during  
11 the construction, then post construction to look at the  
12 material properties, and compare each material with the  
13 others.

14           They're going to follow that up with a report  
15 back to us basically covering up through the construction  
16 period. And then they will on an ongoing basis monitor  
17 the project for us basically until they get some results  
18 that show which materials hold up and which materials  
19 don't. And that could take five years to ten years.

20           So that's basically the scope of work for this  
21 project.

22           Are there any questions?

23           CHAIRPERSON MOULTON-PATTERSON: Thank you.

24           Mr. Paparian.

25           BOARD MEMBER PAPARIAN: Madam Chair, I'd like to

1 make a motion on Resolution -- I think we have a speaker.

2 CHAIRPERSON MOULTON-PATTERSON: Excuse me. We  
3 have a speaker.

4 Dr. Takallou.

5 DR TAKALLOU: Madam Chair, I'm also chairing the  
6 RAD Committee for Asphalt Pavement Association of  
7 California and Executive Director at Rubber Pavement  
8 Association.

9 I would like to recommend -- I think this a  
10 wonderful program comparing different systems, and I am  
11 fully in support of this program. However, I would like  
12 to see as part of the program on PA and Asphalt Pavement  
13 Association if they can form some sort of a, you know,  
14 advisory or -- see, you know, make sure these things that  
15 don't get done as accordingly have the industry some input  
16 on this, because there are different system are evaluated  
17 in this.

18 And, finally, I would like to emphasize the  
19 definition of asphalt rubber, which requires minimum of  
20 ASTM, which is require minimum of 15 percent, and all of  
21 these system being enforced. So there are two points,  
22 minimum of 15 percent crum rubber -- that's ASTM  
23 definition -- and see some sort of an RPA and APA role in  
24 this evaluation.

25 CHAIRPERSON MOULTON-PATTERSON: Thank you, Dr.

1 Takallou.

2 I'll turn it right back over to you, Mr.

3 Paparian.

4 Senator Roberti, do you have any ex partes?

5 BOARD MEMBER ROBERTI: I spoke with Mr. Randy

6 Roth and Mr. George Larson regarding scoring on crum

7 rubber --

8 CHAIRPERSON MOULTON-PATTERSON: Okay. Thank you.

9 BOARD MEMBER ROBERTI: -- and tire shreds.

10 CHAIRPERSON MOULTON-PATTERSON: Thank you.

11 Mr. Paparian, you have a motion.

12 BOARD MEMBER PAPARIAN: Yes, I have a motion. I

13 just wanted to clarify it with Ms. Gildart.

14 I believe we're already working with RPA on these

15 issues and we are -- we have regular discussions with them

16 about these.

17 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

18 Yes. And we can continue to consult with them.

19 But I don't think we would fold it into a scope of work.

20 But we can continue to consult.

21 CHAIRPERSON MOULTON-PATTERSON: Thank you.

22 BOARD MEMBER PAPARIAN: Good.

23 With that, I'd like to move Resolution 2002-286,

24 scope of work for the evaluation of Rubberized Asphalt

25 Concrete Application Processes Contract.

1 BOARD MEMBER MEDINA: Second.

2 CHAIRPERSON MOULTON-PATTERSON: Okay. We have a  
3 motion by Mr. Paparian, seconded by Mr. Medina, to approve  
4 Resolution 2002-286.

5 Please call the roll.

6 SECRETARY VILLA: Eaton?

7 BOARD MEMBER EATON: Aye.

8 SECRETARY VILLA: Jones?

9 BOARD MEMBER JONES: Aye.

10 SECRETARY VILLA: Medina?

11 BOARD MEMBER MEDINA: Aye.

12 SECRETARY VILLA: Paparian?

13 BOARD MEMBER PAPARIAN: Aye.

14 SECRETARY VILLA: Roberti?

15 BOARD MEMBER ROBERTI: Aye.

16 SECRETARY VILLA: Moulton-Patterson?

17 CHAIRPERSON MOULTON-PATTERSON: Aye.

18 Item Number 58.

19 Mr. Paparian.

20 BOARD MEMBER PAPARIAN: Yes, I'd like to move  
21 Resolution 2002-287 related to the Department of  
22 Transportation as the contractor for the evaluation of the  
23 Rubberized Asphalt Concrete Application Processes  
24 Contract.

25 BOARD MEMBER MEDINA: Second.

1           CHAIRPERSON MOULTON-PATTERSON: Okay. We've a  
2 motion again by Mr. Paparian, seconded by Mr. Medina, for  
3 Resolution 2002-287.

4           Please substitute the previous roll call without  
5 objection.

6           Okay. We are going to Item 59.

7           Ms. Gildart.

8           SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

9           Item 59 was the consideration of contractor for  
10 the evaluation of the Northern and Southern California  
11 Rubberized Asphalt Concrete Technology Centers Contract.

12           There has been a problem with this one. We did  
13 not receive any qualified bids in the timeframe allotted.

14           Nate will briefly describe the item. And then we  
15 will be here willing to answer any questions.

16           MR. GAUFF: This item is a follow-up to the  
17 January Board meeting which approved the scope of work for  
18 evaluating the rubberized asphalt concrete technology  
19 centers.

20           We put out a bid through the NSA process to five  
21 firms to bid on this contract. And, as Martha said, we  
22 didn't get any qualified bids back.

23           We did solicit some feedback from the different  
24 firms. And they had a number of varying reasons.

25           A couple mentioned that they thought the scope of



1 work was too extensive for the amount of money being  
2 offered, which was the hundred thousand dollars -- fifty  
3 thousand from this fiscal year and fifty thousand from the  
4 next fiscal year's allocation from each of the technology  
5 centers.

6 A couple of firms mentioned they didn't have  
7 enough time to respond.

8 One said based on their amount of current  
9 workload they couldn't respond in a timely fashion.

10 Another one also mentioned that they wanted more  
11 time because they wanted to hire an expert in rubberized  
12 asphalt to be a part of their team. So they said they  
13 didn't feel there was sufficient time to respond.

14 I think -- and then there was one company that  
15 had some problems under the Board contract and they  
16 weren't really interested in being on this one.

17 So we got a variety of responses back, but  
18 basically no offers on the contract.

19 CHAIRPERSON MOULTON-PATTERSON: Thank you.

20 Any questions on that?

21 BOARD MEMBER PAPARIAN: Yeah, I mean this is  
22 important, I mean as part of the program evaluation that  
23 was anticipated in 876. And I think it's an important  
24 item for the Board. So I would like to come back in the  
25 next fiscal year with an item, you know, incorporating the

1 money that's left over in the next fiscal year's  
2 allocation as well as possibly additional funds, and see  
3 what we can do to put this back together again so that we  
4 can get this work done. I think -- it was an important  
5 issue for me and I think it was an important issue for  
6 some of the other Board members to have this sort of  
7 evaluation conducted and recommendations made so we can  
8 make some positive changes if necessary in this program.

9 CHAIRPERSON MOULTON-PATTERSON: Okay. Thank you,  
10 Mr. Planarians, and hope we'll do that.

11 BOARD MEMBER JONES: Can I ask a question?

12 CHAIRPERSON MOULTON-PATTERSON: Mr. Jones.

13 BOARD MEMBER JONES: Martha, so does this mean we  
14 have \$50,000 in this fiscal year that needs to be  
15 reallocated?

16 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

17 There is \$50,000 that will not be spent, that's  
18 correct. I'm not aware of any -- would we have to fold it  
19 into the noticed item or can we do it here?

20 BOARD MEMBER JONES: I mean we had an item to do  
21 reallocation --

22 CHIEF COUNSEL TOBIAS: Yeah, you could go back to  
23 the other item.

24 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

25 And open it for that \$50,000.

1 CHIEF COUNSEL TOBIAS: But if you -- If you want  
2 to --

3 BOARD MEMBER JONES: Madam Chair?

4 CHAIRPERSON MOULTON-PATTERSON: Yes, Mr. Jones.

5 BOARD MEMBER JONES: What was the number that we  
6 reallocated?

7 Item number 60. If the members are comfortable  
8 with this, I would propose that we reopen Item 60, augment  
9 that motion to include another \$50,000 to be directed to  
10 students, to student activities for the entire program.

11 BOARD MEMBER MEDINA: So move.

12 BOARD MEMBER JONES: Is that reasonable, T.J.?

13 DEPUTY DIRECTOR JORDAN: Yes.

14 BOARD MEMBER MEDINA: I'll second the motion.

15 BOARD MEMBER JONES: Okay.

16 CHAIRPERSON MOULTON-PATTERSON: Okay. They were  
17 all ayes, weren't they, on 60?

18 Can we -- do we have to call the roll again?

19 Mike.

20 BOARD MEMBER PAPARIAN: No, I'm fine.

21 CHIEF COUNSEL TOBIAS: You should probably call  
22 the roll.

23 CHAIRPERSON MOULTON-PATTERSON: Okay. call the  
24 roll. Item 60. And this is putting the \$50,000 toward  
25 the student?

1           BOARD MEMBER JONES: Right, to make it a total  
2 \$17,467 or something like -- or \$67,000.

3           SECRETARY VILLA: Motion by Jones, seconded by  
4 Medina.

5           CHAIRPERSON MOULTON-PATTERSON: Seconded by  
6 Medina.

7           SECRETARY VILLA: Eaton?

8           BOARD MEMBER EATON: Aye.

9           SECRETARY VILLA: Jones?

10          BOARD MEMBER JONES: Aye.

11          SECRETARY VILLA: Medina?

12          BOARD MEMBER MEDINA: Aye.

13          SECRETARY VILLA: Paparian?

14          BOARD MEMBER PAPARIAN: Aye.

15          SECRETARY VILLA: Roberti?

16          BOARD MEMBER ROBERTI: Aye.

17          SECRETARY VILLA: Moulton-Patterson?

18          CHAIRPERSON MOULTON-PATTERSON: Aye.

19          Okay. Items 87 and 88 were on Committee  
20 consensus. So we'll have a short report.

21          EXECUTIVE DIRECTOR LEARY: You know, Madam Chair,  
22 although we talked about it in Committee, I don't think 87  
23 and 88 were actually noticed for today in the agenda.

24          CHAIRPERSON MOULTON-PATTERSON: Oh, so they're  
25 not on?

1 EXECUTIVE DIRECTOR LEARY: I'm sorry. They are  
2 noticed in the item. I'm sorry. I apologize. I'll  
3 retract that statement.

4 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

5 Okay. Agenda Item 87 is consideration of award  
6 for East End Project Waste Tire Applications Grant to the  
7 State and Consumer Services Agency. This was a proposal  
8 brought to us from the Department of General Services.  
9 They want \$250,000 for various uses in the construction of  
10 the large State complex at the east end of Capitol Park.

11 BOARD MEMBER EATON: I say so what else is new?  
12 They want, they want, they want. That's all I heard.

13 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

14 They are requesting of the Board that they be  
15 allowed to spend \$220,000 to increase the amount of  
16 rubberized asphalt concrete laid on the city streets  
17 immediately surrounding the project and the east Capitol  
18 Park, as well as \$25,000 -- not -- \$20,000 for the  
19 children's playground and surfacing, and then an  
20 additional \$30,000 for the various mats and ramps  
21 throughout the complex that are made out of tire rubber.

22 The Committee had acted on this, as Mark said it  
23 was a consensus item.

24 Do you have any questions?

25 CHAIRPERSON MOULTON-PATTERSON: I don't see any.

1 So I'll turn it to Mr. Jones, who's the Chair of that  
2 Committee.

3 BOARD MEMBER JONES: Thanks, Madam Chair.

4 I'll move adoption of Resolution 2002-358,  
5 consideration of the award for the East End Project Waste  
6 Tire Application Grant for the State to the State -- to  
7 the State and the Consumer Services Agency.

8 BOARD MEMBER PAPARIAN: Second.

9 CHAIRPERSON MOULTON-PATTERSON: Okay. We have a  
10 motion by Mr. Jones, seconded by Mr. Paparian, to approve  
11 Resolution 2002-358.

12 Please call the roll.

13 SECRETARY VILLA: Eaton?

14 BOARD MEMBER EATON: Aye.

15 SECRETARY VILLA: Jones?

16 BOARD MEMBER JONES: Aye.

17 SECRETARY VILLA: Medina?

18 BOARD MEMBER MEDINA: Aye.

19 SECRETARY VILLA: Paparian?

20 BOARD MEMBER PAPARIAN: Aye.

21 SECRETARY VILLA: Roberti?

22 BOARD MEMBER ROBERTI: Aye.

23 SECRETARY VILLA: Moulton-Patterson?

24 CHAIRPERSON MOULTON-PATTERSON: Aye.

25 Okay. Number 88, Mr. Medina.

1 BOARD MEMBER MEDINA: Yes, Madam Chair.

2 If there's no questions or discussion I deny here

3 I if there [ES] questions I discussion, I'd like to move

4 Resolution 2002-359, award for Golden Concourse Waste Tire

5 Application Grant to the city of San Francisco, Waste Tire

6 Recycling Management Fund Reallocation, Fiscal Year

7 2001-2002. And in the amount of \$25,000.

8 BOARD MEMBER PAPARIAN: Second.

9 CHAIRPERSON MOULTON-PATTERSON: Okay. We have a  
10 motion by Mr. Medina, seconded by Mr. Paparian, to approve  
11 Resolution 2002-359.

12 Please call the roll.

13 SECRETARY VILLA: Eaton?

14 BOARD MEMBER EATON: Aye.

15 SECRETARY VILLA: Jones?

16 BOARD MEMBER JONES: Aye.

17 SECRETARY VILLA: Medina?

18 BOARD MEMBER MEDINA: Aye.

19 SECRETARY VILLA: Paparian?

20 BOARD MEMBER PAPARIAN: Aye.

21 SECRETARY VILLA: Roberti?

22 BOARD MEMBER ROBERTI: Aye.

23 SECRETARY VILLA: Moulton-Patterson?

24 CHAIRPERSON MOULTON-PATTERSON: Aye.

25 Okay. That takes us to Item 61.

1 MS. WILLD-WAGNER: Good afternoon, Board Members.

2 I'm Shirley Willd-Wagner of the Special Waste Division.

3 And Item 61 is also a fiscal item that enjoys

4 Committee consensus for the award of contract for the 2002

5 Used Oil Forum to California State University, Sacramento.

6 This was a previously approved scope.

7 Are there any questions?

8 CHAIRPERSON MOULTON-PATTERSON: Any questions?

9 Okay.

10 BOARD MEMBER PAPARIAN: I'll move.

11 CHAIRPERSON MOULTON-PATTERSON: Okay. Mr.

12 Paparian.

13 BOARD MEMBER PAPARIAN: I'll move Resolution

14 2002-291, related to California State University,

15 Sacramento, as contractor for the 2002 Use Oil Recycling

16 Forum.

17 BOARD MEMBER JONES: Second.

18 CHAIRPERSON MOULTON-PATTERSON: Okay. We have a

19 motion by Mr. Paparian, seconded by Mr. Jones, to approve

20 Resolution 2002-291.

21 Please call the roll.

22 SECRETARY VILLA: Eaton?

23 BOARD MEMBER EATON: Aye.

24 SECRETARY VILLA: Jones?

25 BOARD MEMBER JONES: Aye.



1 SECRETARY VILLA: Medina?

2 BOARD MEMBER MEDINA: Aye.

3 SECRETARY VILLA: Paparian?

4 BOARD MEMBER PAPARIAN: Aye.

5 SECRETARY VILLA: Roberti?

6 BOARD MEMBER ROBERTI: Aye.

7 SECRETARY VILLA: Moulton-Patterson?

8 CHAIRPERSON MOULTON-PATTERSON: Aye.

9 That completes our -- I believe our --

10 EXECUTIVE DIRECTOR LEARY: 64.

11 CHAIRPERSON MOULTON-PATTERSON: I thought we just  
12 did -- oh, 64.

13 That wasn't on consent. That's the one where  
14 we're mixed up on.

15 Okay. 64.

16 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

17 Item 64 is a consideration of the Office of  
18 Environmental Health Hazard Assessment as contractor for  
19 feasibility study for a cross-disciplinary California Tire  
20 Research Center. This was a proposal to fund a \$30,000  
21 study at whether or not it would be feasible to set up a  
22 research center focusing on tires at one of the university  
23 systems in California.

24 The Committee moved it forward on consensus.

25 Any questions?

1 BOARD MEMBER PAPARIAN: Madam Chair?

2 CHAIRPERSON MOULTON-PATTERSON: Mr. Paparian.

3 BOARD MEMBER PAPARIAN: I'll move adoption of  
4 Resolution 2002-297 related to the Office of  
5 Health Hazard Assessment as contractor for a feasibility  
6 study for a cross-disciplinary California tire research  
7 center.

8 CHAIRPERSON MOULTON-PATTERSON: Okay. Mr.  
9 Paparian moves it.

10 BOARD MEMBER MEDINA: Second.

11 CHAIRPERSON MOULTON-PATTERSON: Mr. Medina  
12 seconds. And that's Resolution 2002-297.

13 Please call the roll.

14 SECRETARY VILLA: Eaton?

15 BOARD MEMBER EATON: Aye.

16 SECRETARY VILLA: Jones?

17 BOARD MEMBER JONES: Aye.

18 SECRETARY VILLA: Medina?

19 BOARD MEMBER MEDINA: Aye.

20 SECRETARY VILLA. Paparian?

21 BOARD MEMBER PAPARIAN: Aye.

22 SECRETARY VILLA: Roberti?

23 BOARD MEMBER ROBERTI: Aye.

24 SECRETARY VILLA: Moulton-Patterson?

25 CHAIRPERSON MOULTON-PATTERSON: Aye.

1           And that concludes today.

2           And I want to remind you there will be a tour of  
3 this facility for those that are interested in taking it.  
4 And it will be happening right now.

5           Thank you very much for all your work. We'll see  
6 you tomorrow.

7           (Thereupon the California Integrated  
8 Waste Management Board recessed at  
9 4:07 p.m. until Wednesday at 9:30 a.m.)

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## 1 CERTIFICATE OF REPORTER

2 I, JAMES F. PETERS, a Certified Shorthand  
3 Reporter of the State of California, and Registered  
4 Professional Reporter, do hereby certify:

5 That I am a disinterested person herein; that the  
6 foregoing California Integrated Waste Management Board  
7 meeting was reported in shorthand by me, James F. Peters,  
8 a Certified Shorthand Reporter of the State of California,  
9 and thereafter transcribed into typewriting.

10 I further certify that I am not of counsel or  
11 attorney for any of the parties to said meeting nor in any  
12 way interested in the outcome of said meeting.

13 IN WITNESS WHEREOF, I have hereunto set my hand  
14 this 2nd day of July, 2002.

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23 JAMES F. PETERS, CSR, RPR  
24 Certified Shorthand Reporter  
25 License No. 10063